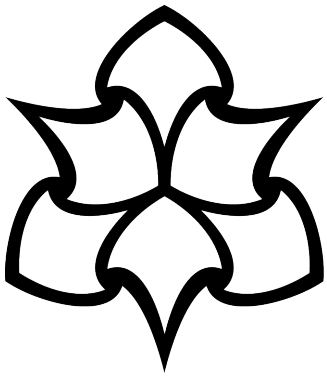

THE ROLE OF FORMAL INSTITUTIONAL SUPPORT ON STARTING A BUSINESS: EVIDENCE FROM SAUDI ARABIA

T S ALKHALDI

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THE ROLE OF FORMAL INSTITUTIONAL SUPPORT ON STARTING A BUSINESS: EVIDENCE FROM SAUDI ARABIA

THAMER SAUD ALKHALDI

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DECLARATION AND STATEMENT

I declare that I have not, whilst being registered for the PhD programme in Manchester Metropolitan University, been a registered candidate for another award of a university.

The material in the thesis has not been used in any other submissions for an academic award.

ACADEMIC EVENTS PARTICIPATION

- Awarded Certificate of Merit for the PhD Paper and Presentation at The 13th European Conference on Innovation and Entrepreneurship, University of Aveiro, Portugal, September 2018
- Presenting a PhD paper at The 13th European Conference on Innovation and Entrepreneurship, University of Aveiro, Portugal, September 2018
- Presenting a developmental paper at the British Academy of Management (BAM) 2018 conference, Bristol, UK, September 2018
- Conference Reviewer, BAM 2018 conference, Bristol Business School, University of the West of England, UK, April 2018
- Conference Reviewer, BAM 2017 conference, University of Warwick, UK, May 2017
- Attending the 20th Annual Doctoral Symposium 2017, Manchester Metropolitan University (MMU), UK, May 2017
- Attending the 9th MMU Postgraduate Research Conference 'Changing Lives', MMU, UK, February 2017
- Attending the Institute of Small Business & Entrepreneurship (isbe) 2016 conference, Paris, October 2016
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- Participating in the "Three Minute Thesis" (3MT) competition, MMU, UK, May 2016
- Conference Reviewer, BAM 2016 conference, Newcastle, UK, March 2016
- Attending the 9th Saudi Student Conference in the UK, Birmingham, UK, Feb. 2016
- Presenting a poster at the 8th MMU Postgraduate Research Conference 'Innovation', MMU, UK, November 2015
- Volunteer Coordinator, Committee Member of the 8th MMU Postgraduate Research Conference 'Innovation', MMU, UK, November 2015
- Participating in the "Three Minute Thesis" (3MT) Competition, Social Sciences, MMU Business School, UK, March 2015
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DEDICATION

To my mother, my father, my wife and my children

I am truly thankful to my mother, for her encouragement and her support, to my father, for all that he has done for me, to my brothers and sisters, to my wife, Badeah, for her constant help and support and being there for me throughout the years, and to my children, Latifah, Saud, Abdulaziz and Mohammed for their patience and consideration, and especially for their dedication of prayers.

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ABSTRACT

This thesis explores and examines the role of formal institutional support for early stage entrepreneurs in Saudi Arabia. Although entrepreneurship literature has attracted a considerable amount of attention, the relationships between the regulatory, cognitive and normative dimensions of the institutional profile, and support for entrepreneurship and business performance have been under-explored in prior research, in particular in the context of early stage entrepreneurs within a developing economy such as Saudi Arabia.

Therefore, the main research question is approached via six sub-questions, which explore the most important reasons for starting a business, the types of institutional support used by early stage entrepreneurs, the relationship between early stage entrepreneurial ideas and the provision of institutional/entrepreneurial support, the relationship between institutional support and early stage business performance, the challenges faced by entrepreneurs in accessing the available institutional supports, and how these challenges can be overcome to enhance entrepreneurship in the context of Saudi Arabia.

The study takes a two-stage mixed methods approach to data collection. First, a large panel data set was acquired from early stage entrepreneurs involved in support programmes in Saudi Arabia. A survey of early stage entrepreneurs who were involved in support programmes in the main cities in Saudi Arabia produced a response rate of 27% (*n = 117*). The purpose of this first stage was to explore the role of formal institutional support for early stage entrepreneurs in Saudi Arabia, and to inform the second, qualitative stage. In the second stage, a group of support institution officials (n = 13) and early stage entrepreneurs (n = 7) were selected for qualitative data collection, using semi-structured interviews, aiming to gain deeper understanding of support agencies' impact on entrepreneurs and to explore how participants view the process of application for support.

The main findings of the study are that the most important reasons that motivate entrepreneurs for starting a business is taking advantage of opportunity. The main types of institutional support used by early stage entrepreneurs are consultation, finance and networking. Findings also showed there is a positive relationship between early stage entrepreneurial ideas and the provision of institutional support and a positive relationship was found between institutional support, especially the regulatory dimension, and early stage business performance. The main challenges faced by entrepreneurs in accessing support in Saudi Arabia are lack of access and poor quality of education and training, bureaucracy, and lack of access to finance, while the main challenges faced by support institutions are lack of awareness of support for entrepreneurship and lack of access to data. The challenge that faced both is institutions working in isolation from each other. This thesis proposed modifications to a number of entrepreneurship models (Bhave, 1994; Shane, 2003; GEM, 2005), and offers recommendations to entrepreneurs, institution officials and policy makers to enhance support for entrepreneurship.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF TERMS AND ACRONYMS

BADIR	The BADIR for technology incubation programme
CAQDAS	Computer assisted qualitative data analysis software
CE	Corporate entrepreneurship
CSE	Corporate social entrepreneurship
CSR	Corporate social responsibility
EFCs	Entrepreneurship Framework Conditions
EU	European Union
FDI	Foreign Direct Investment
G20	The Group of Twenty
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GE	Globalized entrepreneurship
GEM	Global Entrepreneurship Monitor
HRDF	Human Resources Development Fund
IE	Internal entrepreneurship
IMF	International Monetary Fund
KAUST	King Abdullah University of Science and Technology
KFUPM	King Fahd University of Petroleum and Minerals
LoC	Locus of control
MENA	Middle East and North Africa
MMU	Manchester Metropolitan University
MOCI	Ministry of Commerce and Industry
Monsha'at	The General Authority for Small and Medium Enterprises
MSME	Micro, Small and Medium-Sized Enterprises
NAch	Need for achievement
NE	New entrepreneurship
NEI	National Entrepreneurship Institute
NFCs	The National Framework Conditions
NGOs	Non-Governmental Organisations
NVivo	A qualitative data analysis computer software package
OECD	The Organisation for Economic Co-operation and Development
OPEC	Organisation of the Petroleum Exporting Countries
R&D	Research and Development
RTP	Risk-taking propensity
SAGIA	Saudi Arabian General Investment Agency
SE	Social entrepreneurship
SIG	Special Interest Group
SME	Small and Medium-Sized Enterprises
SPSS	Statistical Package for the Social Sciences
TEC	Training and Enterprise Council
UK	United Kingdom
USA	United States of America

Wa'ed	Saudi Aramco Entrepreneurship Centre
WB	World Bank
WEF	World Economic Forum

1. CHAPTER ONE: INTRODUCTION

1.1. Background to the research

Governments of major countries in the world, especially the developed ones, have in recent times, deliberately formulated policies on entrepreneurship to grow and develop their economies (Naude, 2014; Storey, 2016; Bosma et al., 2018). Several studies have linked the economic growth of most of these developed economies to deliberate policy and implementation of entrepreneurship projects, especially for Micro, Small and Medium Enterprises (MSMEs) (Wennekers and Thurik, 1999; Acs, 2006; Bjornskov and Foss, 2016). These studies demonstrate that the MSMEs have contributed significantly to increase in employment and Gross Domestic Product (GDP) of many economies (Van Stel et al., 2005; Carree and Thurik, 2010; Chowdhury et al., 2019). Because of this, many developing economies are now adopting similar policies (Nichter and Goldmark, 2009; Hamdan, 2019).

In recent times, many countries in the Middle East have adopted similar entrepreneurship policies and the corresponding institutional support to grow their economies (Scott, 2008a; Smallbone et al., 2010; Hamdan, 2019). Some of these efforts have yielded similar results to the developed economies, while others have not been so successful (Chowdhury et al, 2019). To account for the failures, studies were undertaken to measure the impact of the policies on economic growth in these countries (Hamdan, 2019; Tomizawa et al., 2019). However, results of these studies are equivocal (Nichter and Goldmark, 2009; Estrin et al., 2019). These studies have, in most cases, combined both entrepreneurship and institutional support in their measurement of their impact on economic development (Nichter and Goldmark, 2009; Farid et al., 2011; Estrin et al., 2019). Thus, it is difficult to ascertain the exact impact of the entrepreneurship policy on MSMEs and the role that institutional support plays in the performance of the MSMEs. There is a need to separate them and determine to what extent institutional support contributes to the entrepreneurship and performance of MSMEs (Kasseeah, 2016; Chhibber, 2017).

The Kingdom of Saudi Arabia, hereafter referred to as Saudi Arabia, is one of these many developing countries that have shown interest in creation of institutional support for the development of entrepreneurship (Zamberi, 2012; Hamdan, 2019). Recently, entrepreneurship has become more important to the government of Saudi Arabia for boosting economic diversification (Kayed and Kabir Hassan, 2011). Like many other economies around the globe, Saudi Arabia has realized the importance of seeking to diversify its income and supporting small firms' start-ups. Entrepreneurship is also seen as a solution to the growing problem of unemployment among Saudi nationals (Rahatullah Khan, 2016). Such concerns have been reflected in a set of government policies (discussed further, later in this chapter) intended to motivate and develop entrepreneurship, including entrepreneurship-friendly policies and training programmes and promulgating business-friendly laws, rules and regulations for the promotion of MSMEs (Ahmad et al., 2010; Ahmad, 2012). So far, the outcome of these policies and supports are less than satisfactory (Kayed and Kabir Hassan, 2011). The role played by the formal institutional support created by the government for the establishment and growth of these MSMEs is not clear (Kayed and Kabir Hassan, 2011; Alammari, et al., 2019). Thus, there is a need to clarify what roles institutional support plays in entrepreneurship development in Saudi Arabia (Chhibber, 2017; Alkhaldi et al., 2018; Urbano et al., 2018).

Understanding and clarifying the role of formal institutional support in the development and performance of MSMEs in Saudi Arabia would help illuminate why the various policies on entrepreneurship of MSMEs of the Saudi Arabian government have failed to yield the expected significant impact on the economic growth of the country (Kayed and Kabir Hassan, 2011). The outcome of this study could also potentially provide deeper insights into challenges SMEs in Saudi Arabia are facing in accessing institutional support. More importantly, the study could recommend profound solutions to overcome those challenges.

The remainder of this chapter is structured as follows: section 1.2 discusses the background to entrepreneurship in Saudi Arabia; section 1.3 defines the research problem; section 1.4 presents the research aim and objectives; section 1.5 presents

the research questions; section 1.6 provides justifications for the study; section 1.7 explains the research methodology followed in the study; the significance of the study to knowledge is highlighted in section 1.8; and finally, the structure of the rest of the thesis is outlined in section 1.9.

1.2. Background to entrepreneurship in Saudi Arabia

In response to global economic challenges, rising youth unemployment, estimated in 2010 at over 28% among the 15-24 age group (Ministry of Economy and Planning, 2010) and attendant consequences, the policymakers in Saudi Arabia have embraced an economic policy aimed at ensuring stable economic growth and job creation (Almobaireek and Manolova, 2012). As a cornerstone of this policy, in recent years, there has been a concerted movement toward entrepreneurship in Saudi Arabia to stimulate the economy (IFC, 2014). In 2010, for example, a national economic policy with an entrepreneurial focus was announced, with the aim of creating nine million new jobs through graduate/youth employment within a few years (Alshumaimri et al., 2010).

The entrepreneurship initiative in Saudi Arabia found favour because it supported the Ninth Development Plan (2010-2014), which sought to make the Kingdom of Saudi Arabia a knowledge-based economy. The plan further aimed “to continue raising the real income of Saudi citizens, to improve the quantity and quality of services offered to them, to contain poverty and eventually eliminate it and to maintain price stability” (Ministry of Economy and Planning, 2010:8).

The Saudi government, for example, under the transition to a knowledge economy, is supporting its citizens to engage in entrepreneurship by investing in higher education institutions inside and outside the country, and providing scholarships to developed countries. Also, it established a new entrepreneurship centre in Prince Sattam University (Salem, 2014) as part of the support for entrepreneurial activities in the country. In addition, several organisations were included in this movement, for example, the National Entrepreneurship Institute, the Saudi Credit and Savings Bank, Technology Incubator and Innovation Centres, The King Salman Entrepreneurship Institute, the Saudi Aramco Entrepreneurship Centre (Wa'ed),

Umm Al-Qura University, the General Authority for Small and Medium Enterprises (Monsha'at) and other governmental and private organisations that are intended to contribute towards increasing entrepreneurial activities in the country. In fact, there are around 40 formal institutions within Saudi Arabia that work for entrepreneurs and SMEs. Those bodies offer support including business consulting, mentoring, training, and providing financial and incubation services (Ahmad, 2012).

The drive towards entrepreneurship was reinforced in 2016 by two factors. One was a significant fall of oil prices from $105 down to $28 (OPEC, 2017). This decrease of oil prices affected economies that depend heavily on oil as a primary source of income, including Saudi Arabia. Entrepreneurship potentially offered a way to avoid the phenomenon of a decline in income because of the oil price reduction. A major impetus, however, is that on April 25th, 2016 the Saudi Council of Ministers announced Saudi Arabia's 2030 Vision (Saudi Press Agency, 2016), which announces the ambition for Saudi Arabia to become a "pioneer and successful global model of excellence, on all fronts" (Kingdom of Saudi Arabia 2030 Vision, 2016). A key component of the country's vision is the aim to boost entrepreneurial activities and small and medium enterprises (SMEs) which are viewed as important agents of economic growth. The vision acknowledges that SMEs are not yet major contributors to the economy and announces the intention to support entrepreneurship and SMEs to help in creating job opportunities. In specific terms, it aims to increase SME and entrepreneurship contributions to the GDP from 20% to 35% by the year 2030. Towards achieving this goal, Saudi Arabia has established the General Authority for Small and Medium Enterprises (Monsha'at), aiming to provide continuous encouragement to entrepreneurs with "business friendly regulations, easier access to funding, international partnerships and greater share of national procurement and government bids" (Kingdom of Saudi Arabia 2030 Vision, 2016: 36).

1.3. Statement of research problem

As mentioned above, the Saudi Arabian Government have in recent times formulated policies to promote entrepreneurship in the country in order to grow

and diversify the economy from over-reliance on oil and gas to self-employment (Ahmad, 2012). Debates on the effectiveness of the policies formulated and the institutions established to support MSMEs to innovate, create more employment and contribute significantly to GDP are intense in the literature. For instance, on one hand, Kayed and Hassan (2010) claim that the growing number of new entrepreneurs is reshaping the kingdom's economic landscape. By contrast, it is reported that, while 92% of businesses in Saudi Arabia are SMEs (including early-stage entrepreneurships) they account for only 25% of employment and 33% of GDP (Rahatullah Khan, 2016). Such data raise questions about whether entrepreneurship is reaching its full potential in the kingdom and, more broadly, what conditions are needed to promote the success of entrepreneurship in a developing or transitional economy, such as Saudi Arabia. Moreover, there is a dearth of literature on how effective the institutional supports and policies for entrepreneurship in Saudi Arabia are.

Therefore, this study investigates the formal institutional support for early stage entrepreneurship in Saudi Arabia. Figure 1.1 below shows the research area of this study, which takes place in the area of overlap among the three circles of Saudi Arabia, institutional support in both (the public and private sectors) and entrepreneurship

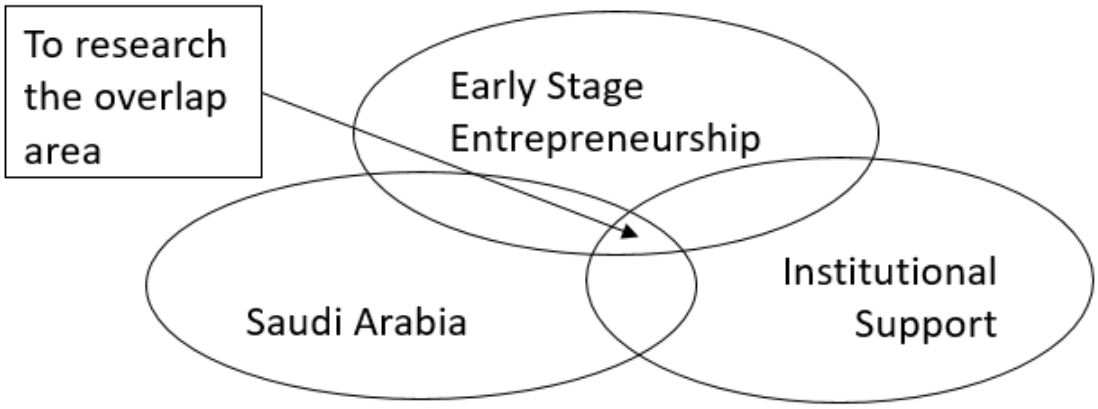

Figure 1.1: Research area (Source: Author)

1.4. Research aim and objectives

Following the identification of the above-stated problem, the study aims to explore the role of formal institutional support on early stage entrepreneurs in Saudi Arabia. In specific terms, the study aims to achieve the following objectives:

1. To identify the most important reasons for starting a business in the context of Saudi Arabia (people's motivation for entrepreneurship).
2. To identify the types of support used by early stage entrepreneurs in Saudi Arabia.
3. To examine the association of the sources and nature of the business idea with the provision of institutional/entrepreneurial support.
4. To examine the association of institutional support and early stage business performance.
5. To identify the challenges faced by supporters and/or entrepreneurs during the process of providing and accessing institutional support.
6. To recommend solutions to enhance the availability and effectiveness of formal institutional support and its ability to contribute to the Saudi Arabian economy.

1.5. Research questions

Following an extensive review of relevant literature and the aim and objectives of the study, the following questions are formulated to guide the research:

The main research question is:

What is the role of formal institutional support for early stage entrepreneurs in Saudi Arabia?

The main question is approached via six sub-questions, as follows:

1. What are the most important reasons for starting a business in the context of Saudi Arabia?
2. What types of institutional support are used by early stage entrepreneurs in Saudi Arabia?

3. What is the relationship between early stage entrepreneurial ideas and the provision of institutional support?
4. What is the relationship between institutional support and early stage business performance?
5. What are the challenges faced by entrepreneurs and supporters in accessing and providing the available institutional support in Saudi Arabia?
6. How can these challenges be overcome to enhance entrepreneurship in Saudi Arabia?

1.6. Justification for the study

In the business literature, generally, and the literature on entrepreneurship specifically, Western contexts, especially the United States of America (USA) predominate (Kayed and Hassan, 2010). Ahmad (2012) notes particularly the relative neglect of the Arab world and the Middle East and North Africa (MENA) region in this stream of research. As indicated above, in Saudi Arabia, specifically, there is a paucity of literature on entrepreneurship, despite the declared importance of entrepreneurship in recent government policy. Moreover, as this section will show, the scant literature available suffers from several shortcomings and omissions, leaving a variety of important questions unanswered.

In general, papers on entrepreneurship in the Saudi Arabian context focus on three main areas: the environment for entrepreneurship, barriers and constraints facing entrepreneurship, and the impact of entrepreneurship on the Saudi economy (Ahmad, 2012). Among the earlier studies on entrepreneurship, for example, are two studies (Kayed and Hassan, 2010, and Salem, 2014) discussing the expected role of specific aspects of the Saudi environment in entrepreneurship.

Kayed and Hassan (2010) discussed the potential relationship between Islamic values and entrepreneurial activity, based on a survey of entrepreneurs in Riyadh, the capital city of Saudi Arabia. The responses appear to support the theoretical contention that there is no incompatibility between Islamic values and the development of a thriving entrepreneurial culture. However, the study had methodological weaknesses, notably its small and unbalanced sample (97

entrepreneurs, of which only eight were women) from a single city. Moreover, the study asked respondents about their values, and the role of Islamic principles in their business motivation and conduct, but it did not link such values directly with entrepreneurial support or business performance.

In another study of the entrepreneurial environment, Salem (2014) discussed the potential role of universities in providing entrepreneurship education and promoting an entrepreneurial culture, with reference to secondary data from various countries. In the Saudi context, Salem reported on the role of the King Salman Entrepreneurship Institute at King Saud University. He referred to the institution's values, mission statement and activities, and claimed that it played a key role in the growth and success of business incubators, but offered no empirical evidence to support this claim, nor did he discuss any other forms of support for entrepreneurship.

Despite the favourable normative and cognitive conditions claimed by the above studies, other papers published in the same period report the existence of several constraints and barriers to entrepreneurship. Sadi and Al-Ghazali (2010) discussed the barriers facing female entrepreneurs, identifying socio-cultural restrictions and lack of government support. However, the authors acknowledge the low rate of participation in their survey, and that almost three-quarters of their sample were from a single province. They therefore called for more research on the progress of government support in developing a conducive entrepreneurship environment. Two years later, Ahmad (2012) explored the problems and constraints faced by micro and small and medium-sized enterprises (MSMEs) in four selected cities, using a questionnaire and interviews with male and female entrepreneurs. Participants reported difficulty of access to finance and credit, bureaucracy, lack of government support, lack of training, and unpredictable policy changes among the constraints faced. However, the authors noted the need for more extended study with more types of business and a wider geographic base.

More recent reports suggest that efforts have been made to address such barriers by further developing supportive policies, institutions and activities, such that the

environment for entrepreneurship should now be more favourable. Rahatullah Khan (2016) maps what he terms the entrepreneurship ecosystem in Saudi Arabia, identifying a variety of stakeholders and discussing the roles that should, in theory, be played by entities at strategic, institutional and enterprise levels. However, Rahatullah Khan claims that weakness at the lower levels leads to strategic-level entities performing activities (such as salary provision) that should be performed at institution level. He asserts a need for further research on the evolution and of the entrepreneurship ecosystem, in order to identify its strengths and weaknesses and inform future policy.

Development of the entrepreneurial environment is also indicated by the World Bank (2017) in its latest Doing Business in Saudi Arabia report. The report examines 11 indicators of the quality of the business environment, including starting a business, ease of registration of a business, and getting credit. However, it does not cover some other indicators that might influence entrepreneurship, such as infrastructure services (apart from getting electricity) and institutional strength. Moreover, it is confined to a specific type of business, typically, limited liability companies operating in large cities, which might exclude many entrepreneurs.

Lastly, a study by Yusuf (2016) indirectly addressed the issue of entrepreneurial performance, by investigating the relationship between entrepreneurship promotion in Saudi Arabia and economic indicators. The report claims that entrepreneurship promotion has led to reduced unemployment, increased GDP, increased exports and provision of government revenue through taxation. On this basis, Yusuf calls for more support for entrepreneurship. However, since the analysis does not link the reported impacts with specific support activities or with enterprise or sector performance, it remains unclear how exactly the claimed benefits are linked to specific policies or activities.

It is clear from the above brief overview that many questions remain unanswered regarding entrepreneurship in Saudi Arabia. These questions include what support is available; how easily entrepreneurs can access it, and what impacts support policies and activities have on the business. Such issues require deeper exploration,

involving larger and more diverse samples, across a wider geographic area, before meaningful insights can be obtained into the impact of support for entrepreneurship in this under-investigated context. On this basis, specific research questions were identified, as indicated in section 1.5.

1.7. The research methodology

This study follows a two-stage mixed method design. In the first stage, primary and secondary quantitative data collected. Primary data was collected from a number of early stage entrepreneurs by means of a postal and online survey, to which 117 participants responded, constituting a 27% response rate. This was supported by secondary data derived from documentary evidence, archival data, strategic planning reports, Global Entrepreneurship Monitor (GEM) and other publicly available material on the World Bank website. Based on the results of this stage, interview questions were developed for the next phase of qualitative data collection.

Qualitative data was collected from twenty support providers and early stage entrepreneurs. Semi-structured interviews were used for qualitative data collection. A full explanation of both research stages can be found in Chapter Three.

1.8. Research significance

As already identified, this research contributes to fill several gaps in extant literature, particularly about entrepreneurship in a non-Western, developing country context. The insights derived from the under-researched context of Saudi Arabia will help to enrich the entrepreneurship literature and add to understanding of how context-specific institutional factors may influence entrepreneurial success. This is of interest and significance, given the conflicting evidence on the impact of entrepreneurship in different countries, especially between developed and developing countries (Acs et al., 2008; GEM, 2016) - discussed further in Chapter Two, section 2.3. The research, moreover, will be of practical value to government policy makers, institutions involved with entrepreneurship and, not least, entrepreneurs themselves, as a basis on which implications may be derived for the enhancement of support availability and effectiveness. This, in turn, may bring long-

term benefits for individual livelihood, the members of the public who use goods and services provided through entrepreneurship and, ultimately the national economy.

1.9. The structure of the thesis

This thesis is structured in the following way:

Chapter One: The introductory chapter presents a brief background into the study. This background provides the foundation upon which remaining chapters of the thesis are based. The chapter also elucidates, the research aim and objectives, why the study is important (Justification), the methodology adopted, and the significance of the study.

Chapter Two reviews the extant literature on entrepreneurship, beginning with definitions and typologies of entrepreneurship, then moving on to the economic benefits claimed for entrepreneurial activity. Several models and theories of entrepreneurship are reviewed to derive an appropriate conceptual framework for the study. Consideration is given to various forms of entrepreneurial support, and lastly, previous studies in the Saudi context are reviewed.

Chapter Three presents the research methodology. It begins with a discussion of the underlying philosophical issues, presenting the rationale for a two-stage sequential mixed method study in which a survey of Saudi early stage entrepreneurs provides quantitative data on entrepreneurs' business motivation, the source of their ideas and the kinds of support they have accessed. The outcomes, in turn, guide the selection of the sample and the formulation of questions for the second phase, involving semi-structured interviews with institutional support organisation representatives and entrepreneurs, to ascertain their perceptions of entrepreneurship support and its impact. Justification is given for the choice of methods, and their implementation is described. Issues of research quality and ethics are also considered.

Chapter Four presents the quantitative primary and secondary data analysis and findings. It begins by reporting the outcomes of documentary analysis providing

data on Saudi Arabia's entrepreneurship profile as reported by national and international organisations. Then the chapter presents substantive findings from early stage entrepreneurs' panel data identifying the most important reasons for starting a business in the context of Saudi Arabia. It also identifies the kinds of support used by early stage entrepreneurs in the Kingdom, examines the association between the business idea and the provision of the institutional support, and examines the association between institutional support and early stage business performance.

Chapter Five reports the qualitative data obtained from interviews with entrepreneurs and representatives of support providing organisations. Several themes are identified and analysed in order to gain deeper understanding of the data obtained from entrepreneurs and representatives of support providing organisations.

Chapter Six presents a discussion of the findings in relation to the themes, models and previous empirical studies reviewed in Chapter Two, in order to answer the research questions.

Chapter Seven highlights the contributions of the research and its implications for academics, practitioners and policy makers. It begins with the theoretical contribution where the identified theoretical gaps are addressed. Importantly, theoretical contributions to understanding of institutional support and entrepreneurship are highlighted. This leads to addressing the implications of this research for early stage entrepreneurs and institutions providing support across Saudi Arabia with an intention to make a robust contribution and recommendations for institution policy. In conclusion, the research limitations and opportunities for future research are highlighted.

2. CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

Following from the introduction of the research background and purpose in Chapter One, this chapter provides the theoretical basis for the research. The rationale for doing so is twofold: first, to provide an understanding of the complex and diverse nature of entrepreneurship and related ideas, and secondly, to derive implications for the conduct of the empirical work.

The chapter contains five main sections. The first examines definitions and typologies of entrepreneurship, in order to arrive at a working definition for the study. This in turn is a step towards identifying the target population for the research, and some of the aspects to be investigated. This is followed by a discussion of the relationship between entrepreneurship and economic development, as such considerations may have a bearing on the types of entrepreneurship established, the conduciveness of the economic environment for such initiatives, and the willingness and ability of government and other agencies to support entrepreneurial activities.

In an attempt to obtain deeper understanding of the factors that may facilitate or pose barriers to entrepreneurship, the third section explores a variety of models and theories that have been proposed, reflecting a range of perspectives (economic, psychological, processual and institutional) that have attempted to understand how and why entrepreneurial activity emerges, and the personal and environmental factors purported to explain entrepreneurial endeavour and success. This discussion paves the way for an exploration of various kinds of support that may be available to or necessary for entrepreneurship. In the last section, the focus turns specifically to Saudi Arabia as the context of this study, in order to examine the current status of entrepreneurship scholarship, and so identify the point of departure for this study.

2.2. Definitions and typologies of entrepreneurship

As noted above, the purpose of this section is to lay the conceptual foundation of the study by investigating perspectives on the nature of entrepreneurship and

identifying the type(s) of individuals and activities that constitute the focus of this study. The section comprises three elements: a historical overview of trends in entrepreneurship definitions; consideration of some of the main typologies of entrepreneurship, and lastly, an evaluation of the implications of the definitions and typologies reviewed, in order to propose a working definition for the purpose of this study.

2.2.1. Changing perspectives of entrepreneurship

Selecting a suitable definition of entrepreneurship has been challenging to the academic community (Cunningham and Lischeron, 1991), because of "the absence of consistent definition" (Gutterman, 2012:1) and lack of a "well-accepted definition of the boundaries and the field" (Venkataraman, 1997: 120). In their study, "Defining entrepreneurship", Cunningham and Lischeron (1991) state that "the term has been used to define a wide range of activities such as creation, founding, adapting, and managing ventures." They go on to say, "No single discipline provides the tools for managing an entrepreneurial venture", and given its interdisciplinary nature, they suggest that it is "not surprising that a consensus has not been reached about what entrepreneurship is" (Cunningham and Lischeron, 1991: 46). Penrose (1995:3) described it as a "slippery concept", both theoretically and in practice, while even the Global Entrepreneurship Monitor (GEM), despite years of observation and analysis (Wong et al., 2005; Aidis et al., 2008), admits that entrepreneurship is a "multifaceted" phenomenon with several different meanings and definitions (GEM, 2016).

2.2.1.1. Developing approaches to definitions

In exploring the meaning of entrepreneurship, it may be useful to begin with the origins of the term, and historical trends in its use. The root of the word entrepreneurship was drawn from a verb in the French Language, "entreprendre", which basically means "to undertake" or to try something (Kuratko and Hodgetts, 2004:28). Historical understandings of the term 'entrepreneur' include one who undertakes a project, a government contractor, and an individual who reallocates resources from low to high productivity uses (Abebrese, 2015). Reviewing the history of entrepreneurship definitions, Gutterman (2012) notes the early

association of the term with risk-taking merchants, who were willing to purchase a commodity at a given price, despite uncertainty as to the price at which they could resell it. The concept evolved to include the combination of factors of production to create outputs for sale in dynamic markets. The latter view emerged at the beginning of the 19th century when Say (1803, cited in Nijkamp, 2003:397) defined the entrepreneur as a "coordinating manager in the production and distribution process of goods, through which welfare for society was created." It is, however, the economist Schumpeter (1934) who is credited with introducing the notion of innovation. Schumpeter (1934) explained the role of the entrepreneur as an innovator who makes positive changes in the economy by bringing new products or services to the markets. This makes him among the pioneers in the field of entrepreneurship (Gutterman, 2012). Schumpeter's explanation of entrepreneurship will be discussed in the later section on models and theories of entrepreneurship. Moreover, the significance of innovation, as a feature of many definitions of entrepreneurship in the last two decades, will be discussed below. It is worth noting, however, that all these early definitions and explanations focused more on the characteristics and role of the entrepreneur him or herself, than on entrepreneurship as a behaviour or function (Gutterman, 2012).

Although it is difficult to find any agreed definition of an entrepreneur, attempts to clarify who should be regarded as an entrepreneur have often focused on specific traits reportedly possessed by entrepreneurs (Venkataraman, 1997). These include a propensity for taking risk (Carland et al., 1996), a strong achievement motivation (Davidsson, 1989) and managerial capabilities (Dzisi, 2008). These traits will be discussed further in the discussion of economic and psychological models of entrepreneurship, in section 2.4. However, the invocation of supposed entrepreneurial traits for definitional purposes has been criticised as overly simplistic (Okhomina, 2010) and failing to capture other factors such as environment and culture, which could encourage or inhibit entrepreneurship (Rauch and Frese, 2000). Shane and Venkataraman (2000) criticise the traits approach as leading to incomplete definitions and understandings, since it neglects the fact that entrepreneurship depends not only on enterprising individuals, but on

the availability and structure of opportunities, recognising the salience of the prevailing environment.

One response to the weakness of the traits approach is the behavioural approach, which views entrepreneurship, not as a fixed trait inherent in certain individuals, but as a behaviour that is manifested at a particular time and in particular circumstances (Carree and Thurik, 2003). Among those taking such an approach are Vanderwerf and Brush (1989) who, based on a review of extant definitions, identify several behaviours associated with entrepreneurship, which an individual may display at a certain point in his or her career, and in relation to a particular sphere of activity. They include creation of a new business unit, management of resources, commercial exploitation of something new (whether it be a product, process, material or market) and assumption of the risks of loss or failure.

Along similar lines, Jaaskelainen (2000) identifies the roles of coordination, innovation, uncertainty-bearing, supply of capital, decision-making and resource allocation. Unlike Vanderwerf and Brush (1989) he also includes ownership although, as will be seen, other scholars do not see ownership as a necessary component of entrepreneurship.

Such an approach, while rejecting the idea that entrepreneurship is a manifestation of special and stable traits, nevertheless retains a focus on the role of the individual entrepreneur. Another approach, by contrast, shifts the focus, from the attributes and actions of the entrepreneur, to the functions of entrepreneurship (Carlsson et al., 2013). Nevertheless, with this approach, too, difficulties arise of how to capture the wide and diverse fields of entrepreneurship in an agreed and meaningful definition. Anderson's (2000) simple definition of entrepreneurship as the creation and extraction of value from the environment can be criticised as too broad to be of practical value.

2.2.1.2. Key themes in recent definitions

In general, three main themes can be noticed in more recent definitions of entrepreneurship: the generation of value or wealth, some degree of innovation or

creativity, and the recognition and exploitation of opportunity, although the relative importance attached to these elements differs from one definition to another.

Regarding the first element, wealth creation, definitions emphasising this factor can be said to reflect the early historical notions of entrepreneurship noted previously, which assumes that the entrepreneur's essential motive for taking risk and or reallocating resources is the hope of generating profit. Drucker (2015), for example, viewed entrepreneurship as the pursuit of profit and/or wealth, while Zahra and George (2002) among others, took a similar line.

Amit et al. (1993) acknowledged the lack of agreement among researchers as to the definition of entrepreneurship, but as a working definition proposed the following, based on the central idea of wealth creation:

> "Entrepreneurship [is] the process of extracting profits from new, unique and valuable combinations of resources in an uncertain and ambiguous environment" (P:816).

Such definitions, however, fail to take account of necessity entrepreneurs (see section 2.2.2., following) who may enter low-potential fields with no ambition or prospect beyond meeting their immediate subsistence needs. Nor do they account for socially-motivated entrepreneurs who to some degree forego profit-seeking in pursuit of social welfare aims (see the typology of entrepreneurship by business goals in section 2.2.2.).

A second major element in definitions of entrepreneurship is innovation. Gutterman (2012) for example, notes a general agreement in entrepreneurship scholarship that entrepreneurship involves the creation of something new, although the newness can be in various areas and take a variety of forms. It may include, for example, a new economic activity (Davidsson et al., 2006), new behaviour within a firm (Hessels, 2008) or a new interpretation of the capabilities of technology (Gutterman, 2012). Ahmad and Seymour (2008) refer to the pursuit of new ideas in order to create new products and services. Similarly, Nijkamp (2003)

suggests that entrepreneurship creates new businesses, brings new products to market, or develops new production processes. This may or may not involve the creation of a new organisation; although entrepreneurship is typically associated with innovation and creation of new businesses (Gbadamosi, 2015; Madichie and Gbadamosi, 2017), definitions disagree on this point. Johnson (2001), for example, refers to the prevalence of a narrow view of entrepreneurship as “capturing ideas, converting them into products and/or services and then building a venture to take the products to market” (p: 118). However, he goes on to take a broader view of innovation, citing the examples of a number of large corporations to illustrate that innovation can take a variety of forms, and can occur within an existing business, rather than involving the creation of a new company. He cites, for example, the pharmaceutical company Pfizer, which fosters an in-house culture of innovation and continually brings out new products, and McDonald's as an example of innovation in its recruitment and staff development policy.

Shane and Venkataraman (2000) also take a broad and flexible view of innovation, and one which also highlights the third theme prevalent in definitions of entrepreneurship, namely, opportunity. The suggestion is that entrepreneurs innovate in order to exploit opportunities, for example, to meet a currently unsatisfied need, or to do something better. From this perspective, they define entrepreneurship as "the process by which opportunities to create future goods and services are discovered, evaluated and exploited” (p: 218). This definition has several interesting implications: entrepreneurship need not be linked to the founding or ownership of a business; it is a process, rather than a single event or decision, and it involves some degree of creativity, although there is no criterion level of creativity that must be met for a process to be considered as entrepreneurship (Shane et al., 2003).

As Kobia and Sikalieh (2010) point out, there is a train of thought in entrepreneurship literature that views the concept as similar to or interlinked with the notion of enterprise. As an example, they cite Coulter (2001), who defines entrepreneurship as:

> "the process whereby an individual or a group of individuals use organised efforts and means to pursue opportunities to create value and grow by fulfilling wants and needs through innovation and uniqueness, no matter what resources are currently controlled" (Cited in Kobia and Sikalieh, 2010: 110)

Others make a distinction between the two terms, viewing enterprise as preceding entrepreneurship. The former is concerned with spotting opportunities, generating ideas and a drive to make things better; this leads to entrepreneurship, in which such ideas are translated into working realities (Kobia and Sikalieh, 2010).

2.2.1.3. Towards a comprehensive definition

Whatever the nuances of individual definitions, it can be concluded that innovation, opportunity and some notion of gain are inextricably linked in the concept of entrepreneurship. This complex interaction is captured in attempts at a comprehensive definition by The Organisation for Economic Co-operation and Development (OECD), and by the Global Entrepreneurship Monitor.

OECD has defined entrepreneurship as:
"Entrepreneurs are those persons (business owners) who seek to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets. Entrepreneurial activity is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets. Entrepreneurship is the phenomena associated with entrepreneurial activity." (Ahmad and Seymour, 2008:14).

According to GEM, entrepreneurship encompasses "any attempt at new business or new venture creation, such as self-employment, a new business organisation, or the expansion of an existing business, by an individual, a team of individuals, or an established business" (GEM, 2016).

An overview of the GEM website shows that GEM looks at entrepreneurship as a new business activity but interprets this widely, not merely in terms of newly

registered businesses. Like Johnson (2001), cited earlier, GEM includes the behaviour of employees starting new business within an organisation as entrepreneurship by calling them entrepreneurs. This is known as intrapreneurship or corporate entrepreneurship. GEM also takes a broad view of entrepreneurship as an ongoing process, involving a variety of stages. What GEM terms "early-stage entrepreneurial activity" combines the stage before the start of a new business (nascent entrepreneurship) and the stage right after the start of a new business (owning-managing a new firm). Other phases involve individuals in established businesses and employees showing an entrepreneurial outlook (GEM, 2016).

It can be seen from the above review that entrepreneurship is a concept with a long history, with evolving, contested and complex meanings, and in which a number of themes can be discussed.

Drawing the above themes together, Shane and Venkataraman (2000) view entrepreneurship, as a research discipline, as concerned with:

- Why, when and how opportunities arise from the creation of new products and services.
- Why, when and how some (but not all) people recognise and exploit these opportunities
- Why, when and how different kinds of activity are used to exploit opportunities for entrepreneurship.

This thesis pursues these themes with an exploration of the role played by various forms of support in enabling Saudis who have recognised opportunities for innovation to realise their vision by fostering an enabling environment. The next sub-section contributes to developing the conceptual foundation for this endeavour by considering attempts to develop deeper understanding of the nature of entrepreneurship by creating typologies that distinguish different classes of entrepreneurship, based on motivation, potential, or goals.

2.2.2. Typologies of entrepreneurship

Although the definitions discussed above purport to identify general characteristics of entrepreneurship, it has also been noted that in practice, entrepreneurship is a complex and contested concept and there is no single archetype of entrepreneurship. In an attempt to capture and explain differences in entrepreneurs and entrepreneurial activities, writers have attempted to classify types of entrepreneurship by various criteria.

2.2.2.1. Motivation: necessity vs. opportunity

A common way to distinguish between types of entrepreneurship is according to the entrepreneurial motivation, defined as the reason for starting up a business, classified as opportunity or "pull" factors and necessity or "push" factors (Acs, 2006; Hessels et al., 2008).

Opportunity entrepreneurship refers to situations where the drivers for starting a business are "pull" factors; the entrepreneur is attracted by the opportunity to pursue and achieve desired goals such as autonomy, income and wealth, or opportunity and status (Wilson et al., 2004; Van Gelderen and Jansen, 2006). Opportunity entrepreneurs usually seek to take advantage of clear gaps in the market and create businesses characterized by a high level of innovation, which means that they face risk and operate in an uncertain market (GEM, 2014).

Proponents of this typology argue that opportunity entrepreneurs are those who spot opportunities and go on to pursue and exploit them by creating new ventures (Bygrave, 1997). Such a motivation is linked to the individual's understanding and experience of the business environment. Moreover, it can be encouraged in contexts of economic growth, since an expanding economy generates increased demand for goods and services (Kobia and Sikalieh, 2010). Since studies of entrepreneurship have been conducted mainly in developed countries where opportunities or markets are available, opportunity motives for gain and self-actualization have been found to be prevalent (Hessels et al., 2008).

Individuals may also be pushed into entrepreneurship through necessity (Thurik et al., 2008), for example when faced with the prospect of unemployment or due to lack of other options (Locke and Baum, 2007). Although necessity entrepreneurship may occur in developed countries, it has been particularly associated with low income countries. The assumption was that poverty, survival and lack of alternative choices drive individuals from poor developing countries to start-up businesses, leading to high rates of entrepreneurial activity (Reynolds et al., 2001). It was assumed that such entrepreneurship was generally small-scale and of low potential, a view apparently supported by Acs and Varga's (2005) finding that this type of entrepreneurship has no impact on economic development.

Benzing et al. (2009) note that micro and SME entrepreneurship in low-income countries is more likely to be motivated by income needs. For example, in a West African study, Roy and Wheeler (2006) found that microenterprise owners were motivated by a concern to satisfy basic needs for food and shelter, while Benzing et al. (2005) found income and security needs to be the dominant motivation in Romania. Necessity entrepreneurs tend to operate in very traditional market sectors (GEM, 2014).

The distinction between opportunity and necessity entrepreneurs has often been invoked to explain the high levels of entrepreneurship in relatively less developed contexts, lacking in resources, the idea being that in such environments, entrepreneurs were setting up businesses, not so much to exploit opportunities (as supposed by many definitions), but out of need (Acs and Varga, 2005).

Classification of entrepreneurship based on motivation, however, poses both theoretical and practical problems. First, it is difficult to measure motivation; second, being pushed into entrepreneurship by necessity does not necessarily exclude the possibility of seeing and being attracted by opportunities, and thirdly, such a classification may be of limited potential value to policy-makers, given the difficulty of intervening in and changing motivation (Sserwanga and Rooks, 2013).

2.2.2.2. Activity

In view of the difficulties associated with trying to classify entrepreneurship by motivation, other authors offer an alternative typology based on the areas of activity the entrepreneur enters. They distinguish between high potential or growth-orientated entrepreneurs, and low potential or survival entrepreneurs. As conventionally defined (Berner et al., 2012) these categories are very similar to the opportunity/necessity distinction, with the assumption that the two categories differ not only in motivation but also in skills. Thus, it is assumed that survival entrepreneurs are forced into entrepreneurship to meet their basic needs, but lack the motivations and skill to establish a business with the potential for growth. In an attempt to make this distinction workable and give it practical value, Sserwanga and Rooks (2013), however, operationalise the terms differently, drawing on common definitions of entrepreneurship (e.g Shane and Venkataraman, 2000) based on the recognition and exploitation of opportunities. Thus, they do not attempt to distinguish entrepreneurs by their motivation, but based on competence and performance in three activity areas: opportunity recognition, planning and innovation. Individuals who score better on these dimensions are expected to have higher potential to achieve growth in their ventures. Such a distinction might have implications in terms of the abilities of individual entrepreneurs to attract and benefit from whatever sources of support are available in a particular environment.

2.2.2.3. Business goals

Another approach to classifying entrepreneurship, adopted by Lukman (2015) is by the goals of the business. Lukman identifies six categories: social entrepreneurship, corporate entrepreneurship, corporate social entrepreneurship, globalized entrepreneurship, new entrepreneurship and internal entrepreneurship.

Social entrepreneurship (SE), which can take place in the private or non-profit sectors, or spanning the two, is innovative activity with the purpose of giving back to society. Kerr (2007) associates it with a trend, since the early 1990s, for wealthy investors to apply the tools of their business success for philanthropic purposes. Social entrepreneurs pioneer new products and services for the benefit of the

community (Porter and Kramer, 2011) while also making economic returns. Lukman (2015) cites eBay, Google and Grameen Bank as examples of this kind of entrepreneurship.

Corporate entrepreneurship (CE) refers to the pursuit of new opportunities by individuals within organisations, with the aim of revitalizing organisations for competitive advantage (Austin and Reficco, 2009) and stimulating market growth (Ramachandran et al., 2006). Lukman (2015) suggests that emphasis on this form of entrepreneurship arose to overcome stagnation in innovation and speed up the growth of businesses for the benefit of the economy as a whole.

Corporate social entrepreneurship (CSE) is a notion introduced by Austin and Reficco (2009) as a concept to guide corporations on the best way of fulfilling social needs and expectations through corporate social responsibility (CSR) activities. It is similar to social entrepreneurship in its ideological stance and pursuit of interrelated financial and social goals. Lukman (2015) distinguishes between them by explaining that CSE focuses on the use of CSR programmes to enhance relationships with society while still making profit, whereas SE focuses more on charitable activities for improve social well-being. It could also be suggested that CSE is an approach to doing business within an existing corporation, whereas SE is a motivation for establishing a particular form of business activity.

Globalized entrepreneurship (GE) has been defined as a competitive approach to corporate innovation to sustain and grow the business beyond national boundaries (Mckinnon, 2003). Prominent examples include Microsoft Inc., Intel Inc., and Exxon Mobile (Lukman, 2015).

New entrepreneurship (NE) is a term used to describe new initiatives resulting in the development of new ideas or commercial ventures, in the absence of a proven track record on the part of the individual or entity introducing it (Felsenstein and Fleischer, 2002).

Internal entrepreneurship (IE) refers to creative initiatives introduced by members of an organisation, with the aim of developing new products, systems, processes or

practices outside the requirements of their formal job remit (Maier and Zenovia, 2011). It involves organisational change through new and more productive uses of organisational resources (Lukman, 2015).

2.2.3. Implications of definitions and typologies for this study

As this section has shown, entrepreneurship is a complex and contested phenomenon, which has been defined and interpreted in a variety of ways. A basic distinction can be observed between definitions that focus on the traits assumed to be characteristic of entrepreneurs, and those that focus more on behaviours and functions. For the purposes of this study, the latter appears more useful, not only because of the lack of consensus on an essential and consistent set of measurable entrepreneurial traits, but also because this study is more concerned with the available support for entrepreneurs than with the attributes of the entrepreneurs themselves. This does not preclude the possibility that some personal attributes may help entrepreneurs to access and exploit support, but in terms of the value of this study for informing policy, a behaviours/function approach offers more potential, in terms of insight into what behaviours a support programme might encourage, and what entrepreneurship functions could provide a rationale for such support. The majority of recent definitions, albeit with differences of emphasis, suggest a function of innovation, leading in turn to various desirable outcomes such as improved efficiency, enhanced human welfare through the availability of new products and services, and wealth creation both for the entrepreneurs and the economy. Such outcomes are further supported by typologies of entrepreneurship that highlight opportunity recognition and growth potential, although it has also been seen that entrepreneurship can prioritize social objectives over pure profit.

In terms of the aforementioned typologies, this study recognizes that both "opportunity" and "necessity" entrepreneurship may have potential and may be in need of or eligible for support. This implies that it is not necessary or desirable to focus on a single category when identifying the target population for the study. Nevertheless, awareness of the distinction may be useful in interpreting findings as to which ventures in practice receive support, why, and in what form. In terms of the typology by business form and goals, this study is interested particularly in new

entrepreneurs who are in the early stage of setting up a venture (consistent with the approach taken by GEM, 2010, cited above), as this is assumed to align better with the structure of the Saudi economy (see Chapter One, section 1.7.2.). However, such ventures may vary in size and form.

Taking all of the above into consideration, the operational definition of entrepreneurship for the purpose of this study is: The pursuit of economic opportunities with the aim of setting up a business for self-employment, wealth creation and innovation.

This definition includes the main themes noted in the literature, while being broad enough to capture a variety of business areas, organisational forms and sizes, thereby potentially including Saudi entrepreneurs with varying characteristics in the target population.

The supposition that entrepreneurship is a behaviour or function manifested in a particular circumstance raises questions as to what circumstances are conducive to the emergence of this role and whether or how circumstances can be manipulated to enhance the prospects for entrepreneurship. The first of these is addressed in a later section reviewing theories and models of entrepreneurship (see section 2.4.) while the second is addressed in a discussion of support for entrepreneurship (see section 2.5.). First, however, in the next section, the importance of entrepreneurship and its relationship with economic development (reflecting both potential and rationale for supporting entrepreneurship) will be discussed.

2.3. Economic development and entrepreneurship

The previous section has explored definitions of entrepreneurship and outlined various typologies of entrepreneurship, which imply that entrepreneurial activities can have a variety of motivations, and take various forms, with different outcomes. This section focuses specifically on the economic function and importance of entrepreneurship, and its relationship to stages of national development. The rationale for doing so is that such considerations may not only provide a motivation

for national institutions to support entrepreneurship, but also influence the ability of a given country to provide such support.

2.3.1. Functions and importance of entrepreneurship

As Acs and Virgill (2009) point out, in recent years, economic policy in many countries has emphasised the importance of the private sector, and specifically entrepreneurship, as an agent of change. Such policies are underpinned by a widespread assumption that entrepreneurship is a driver of economic growth and development (Carlsson et al., 2013; Galindo and Méndez, 2014; Salem, 2014; Szabo and Herman, 2014). Salem (2014), for example, describes entrepreneurship as a driving force of economic development, structural change and job creation. For those reasons, the World Economic Forum (2009) has identified entrepreneurship as a means of poverty reduction.

There exist both theoretical and empirical supports for such assumptions. At the theoretical level, a number of authors have outlined the roles played by entrepreneurs in national economies and described the mechanisms by which entrepreneurial activity is expected to stimulate economic growth. Acs and Virgill (2009) for example, comment on the importance of markets in the efficient allocation of resources, and note the ability of entrepreneurs, by providing capital, technical and managerial resources, to fill gaps left by incomplete or undeveloped markets.

Another way in which entrepreneurs stimulate change is by creating competition, which writers including Wennekers et al. (2002) and Acs (2006) see as an inducement to increased productivity. By creating new jobs and businesses (Acs, 2006) and developing innovative products and services (Wennekers et al., 2002), entrepreneurs open up new profit-making opportunities. In this way they disturb the status quo within an industry or market, encouraging rivalry and intensifying competitive pressures, which may force existing incumbents of the market to react by improving their productivity, thereby stimulating economic growth (Levie and Autio, 2008). The ability of entrepreneurs to instigate such changes has been attributed to the recognition and leverage of knowledge as a factor of production

(Eid, 2016). For example, Sautet (2005), explaining why entrepreneurial activity is at the heart of economic development and growth, argues that human ingenuity, when translated into socially useful knowledge, can result, for example, in the development of ways of increasing productivity, thereby overcoming the problem of diminishing returns.

Such claims about the economic benefits of entrepreneurship appear to be borne out, to some extent at least, by empirical evidence in a variety of national contexts. Yusuf (1995), for example, reports on how government policies and practices encouraging entrepreneurship contributed to economic growth in the South Pacific region, where entrepreneurial enterprises dominate a number of sectors, including retail, transportation, tourism, and handicraft. Ghemawat and Khanna (1998) report on the role of entrepreneurs in correcting capital market and information deficiencies in India. More recently, Smith et al. (2012), in the USA, describe entrepreneurship as a major factor in the success of Arab immigrants, and their role in the economic revival of the Detroit, Michigan area, which had suffered more than 14 per cent unemployment and increased poverty following job losses in the automobile industry and the 2007-2008 crises in the financial sector. By 2010 it was estimated that around 90 per cent of stores and petrol stations in the Detroit metropolitan area were owned by Arab entrepreneurs (Ghosh, 2000).

In the light of the above discussion, the case for the economic importance of entrepreneurship can be conveniently summarized in the four areas identified by Shane et al. (2003):

- It drives innovation and technology change, leading to economic growth.
- It helps to balance supply and demand (Kirzner, 1997).
- It is an important process for the conversion of knowledge into new goods and services (Shane and Venkataraman, 2000).
- It plays a role in the development of human and intellectual capital (Zahra and Dess, 2001).

2.3.2. The "stages of growth" model

In the light of the above arguments and evidence, it might appear that there is good reason for national governments to support entrepreneurship as part of the drive to enhance development and stimulate economic growth. In practice, however, the situation is more complex.

Acs (2006), for example, suggests that in some situations, entrepreneurship, especially of the informal type, may be a response to bureaucratic barriers to formal business creation, or lack of wage-earning job opportunities. In such contexts, entrepreneurship may be associated with slow economic growth and lower economic development. In developing countries, an important role is played by petty traders and the informal sector (Fafchamps, 2001; Ayyagari et al., 2003), who have limited ability to contribute to economic development. The complexity of the relationship between entrepreneurship and economic development is captured by data from the Global Entrepreneurship Monitor (GEM), whose adoption of a uniform definition enables comparison among countries (Acs et al., 2008). This provides insight into how levels of entrepreneurship vary across countries depending on economic conditions (GEM, 2014). Analysis of such data reveals that, although the relationship between entrepreneurship and economic growth is positive for highly developed countries, it is negative for developing countries (Acs and Szerb, 2007). Overall, the relationship between entrepreneurial activity and economic growth presents a U-shaped curve.

Analysts have explained this findings in terms of the stages of growth models of economic development, such as those proposed by Porter et al. (2002) and Cho and Moon (1998). Porter et al. suggested that countries proceed through three stages of economic development: factor driven, efficiency driven and innovation driven; entrepreneurship is associated with the third stage (Acs et al., 2008). Cho and Moon (1998) in a variant model of national development stages, identified four stages, called less-developed, developing, semi-developed and developed. The semi-developed status, they suggest, is characterised by the increasing skill of workers (and, hence, labour costs) and the rise of entrepreneurs and small businesses taking advantage of market opportunities, while the last stage focuses on building

advanced infrastructures, a more competitive economy, and innovation and creativity as critical factors. Recent analyses of GEM data, however, tend to use a three stage model. The work of Acs and his colleagues (Acs, 2006; Acs and Szerb, 2007; Acs et al., 2008) takes this approach.

Acs (2006) elaborates on how the stages model accounts for the different relationships between entrepreneurship and economic development across countries. The first stage, he notes, is characterized by a high rate of non-agricultural self-employment. Examples include Uganda and Ecuador, which have high rates of entrepreneurship, but low per capita income. As the economy grows to stage 2, the increase in capital stock increases the returns from working and decreases the returns from managing. Consequently, the rate of self-employment declines as people seek to shift from self-employment to waged employment, which is more lucrative. Examples in this category include Brazil and Argentina, with lower entrepreneurship, but higher per capita income. The third stage witnesses a move away from large organisations and an increase in entrepreneurial activity (Audretsch and Thurik, 2001, 2004). According to Acs et al. (2008), there are three reasons for this: a decrease in the role of manufacturing, while services increase, improvement in technology, increasing the returns to entrepreneurship, and higher elasticity of factor substitution, making entrepreneurship easier. Firm structure is relatively flat and more dynamic, responding quickly to market demands by offering new products and services, constituting a major driver of economy growth (Acs and Szerb, 2007). Examples of countries in this category include Germany, France and Finland. Acs (2006) explains that although these countries have lower rates of entrepreneurship than those in stage 1, the entrepreneurship is of a more dynamic and productive kind.

2.3.3. Entrepreneurship quality

Comparisons such as those reported above have led authors to conclude that what matters for a country's economic development is not the existence or volume of entrepreneurship per se, but the quality of entrepreneurship, specifically the ratio of necessity to opportunity entrepreneurship (Szabo and Herman, 2014; Acs, 2006). Szabo and Herman (2014) illustrate the point in their comparison of

entrepreneurship and economic development in different country clusters within the European Union (EU). They note that the Northern European cluster has the highest economic performance in the EU. These countries are world leaders, among the most innovative and competitive, with a high number of innovative SMEs. Nevertheless, there are differences, even within the same cluster. The same authors report that the United Kingdom (UK) occupies a lower position in the group, which they attribute to the lower level of innovative SMEs and higher proportion of necessity entrepreneurship compared to others in the peer group.

Again citing Europe as an example, Acs (2006) takes the case of Central European former socialist regimes to explain why high levels of entrepreneurship are not necessarily associated with high economic performance. He recalls that, after the fall of the Berlin wall, these countries faced the closure of state-owned factories and an influx of former factory workers into less productive necessity entrepreneurship, a situation followed by several years of negative growth in GDP. Acs (2006) concluded that the important distinction between necessity and opportunity entrepreneurship has different implications for national policy at different stages of economic development. Less developed and underdeveloped countries, rather than focusing on entrepreneurship, should prioritize development of the national infrastructure, strengthening the existing SME sector, encouraging Foreign Direct Investment (FDI) that provides employment, and developing education; otherwise, lack of alternatives will force large numbers of people into necessity entrepreneurship. Developing countries should aim for a balance between improvement of the national infrastructure and enhancing the quality of the environment for entrepreneurship. Developed countries, however, benefit from a focus on the entrepreneurial environment, with state and educational support for high value-added activities, research and technological commercialization.

Saudi Arabia, the focus of this study, has a relatively short development history and under successive development plans, high expenditure has been devoted to developing infrastructure and education. Currently, the Kingdom might be considered as “semi-developed” in Cho and Moon’s (1998) framework, or in transition to the third phase of Porter’s (2002) model. This would imply, based on

Acs (2006), that it would be economically beneficial for the kingdom to support entrepreneurship - and specifically opportunity entrepreneurship - as part of its development policy. Given the improvements in the kingdom's general infrastructure, and the rapid uptake of new technologies, entrepreneurship might be expected to contribute significantly in providing employment, new goods and services (thereby increasing living standards), and driving competition, productivity and growth. It will therefore be of interest in this study to uncover Saudi entrepreneurs' motivations for entrepreneurship, the government expectations and policy with regard to entrepreneurship, and the attitudes and practices of potential sources of support.

2.4. Entrepreneurship models and theories

Over the years, a variety of theories have been put forward in an attempt to explain entrepreneurship activity and the conditions that stimulate or facilitate it. No single, universally accepted theory has emerged. This section provides an overview of the main theoretical approaches, in order to decide on the one most useful for this study. It addresses, in turn, economic theories, psychological theories, the processual approach, the GEM model, and institutional theory.

2.4.1. Economic theories of entrepreneurship

Entrepreneurship theory originated in the economics field, which addressed the role of the entrepreneur in the market. In the classical perspective, economic value was derived from three factors of production: land, labour and capital, and entrepreneurship referred to activities that created profit in excess of the rate of return on those factors (Matlay, 2006). The entrepreneur was a project manager, an organiser of resources and a bearer of risk (Ripsas, 1998; Mwiya, 2014). An early exponent of the classical theory was Cantillon, the eighteenth century economist, who advocated free markets in which entrepreneurs would make self-interested judgements, based on the needs and wishes of their customers. Entrepreneurs were self-employed individuals, whose ventures could be classified into two types: those that depended on capital, such as trade or manufacturing, and those that relied on the skills of the entrepreneur, such as painters, doctors and lawyers

(Gibcus et al., 2012). This approach has two main limitations: it assumes a stable economic environment, and it does not address the role of innovation (Mwiya, 2014).

The assumption of a stable, balanced and certain environment is similarly made by neo-classical economists such as Kihlstrom and Laffont (1979). Neo-classical equilibrium theorists assume that markets comprise agents who pursue the maximization of their interests and collectively establish equilibrium in the market. The assumption is that at any given time, all opportunities are recognized and all transactions perfectly coordinated, so there should be no possibility for entrepreneurs to make profit by recognizing opportunities that others do not (Shane, 2000). In such a situation, entrepreneurship depends on the characteristics of individuals, for example, propensity to take risk. This would imply that support for entrepreneurship should focus on identifying and backing those individuals who are more likely than others to exploit the opportunities that are generally known and available.

The notion of stable economy was, however, challenged by Schumpeter (1934), whose theory proposed that entrepreneurs reform or revolutionize production by exploiting new opportunities that lie outside the existing routine (Cheah, 1990). Schumpeter's insistence that entrepreneurs create new opportunities has led to his being regarded as the father of entrepreneurship (Gedeon, 2010). However in Schumpeter's thought, mere invention does not constitute innovation, or entrepreneurship. An invention is irrelevant unless it is exploited; entrepreneurs turn inventions into innovations by exploiting them in practice (Mwiya, 2014). Schumpeter (1934) suggests that generally, large organisations are better able to do this, because they have more resources to invest in Research and Development. Innovation results in "creative destruction", whereby inferior technologies and processes are replaced by better ones. Creation of such innovations creates market power and even temporary monopolies, generating abnormal profits. Thus, entrepreneurship leads to systemic changes and new market processes (Kirchhoff, 1994). The Schumpeterian theory of entrepreneurship implies that entrepreneurship might best be supported by investment in Research and

Development (R&D), and also by the provision of a suitable (not unduly restrictive) regulatory environment in which entrepreneurs have freedom to exploit innovation opportunities (Abebrese, 2015). The Schumpeterian view of entrepreneurship is, however, challenged by Austrian economics, associated with Hayek (1945) and Kirzner (1973, 1985, 1997). They criticised the Schumpeterian focus on entrepreneurship as a source of disequilibrium and instead sought to explain how a market could move from disequilibrium to equilibrium (Kirzner, 1997). According to this theory, markets are composed of people who possess different information, such that some see opportunities that others do not, even if not specifically looking for them (Shane, 2000). Differences in information lead people to value goods and services differently, reflected in the prices they are prepared to pay. Entrepreneurs profit by responding to such misalignments (Shane, 2000). In other words, entrepreneurs profit from alertness to opportunities that already exist (Mwiya, 2014), in conditions of uncertainty and disequilibrium (Kirzner, 1973, 1985, 1997). They capitalize on opportunities presented by, for example, a new product, superior process or price differential that others have not yet perceived or exploited (Hayek, 1945). In contrast to Schumpeter (1934), such a view considers the possibility of entrepreneurship lying not only in long-term radical developments but also short-term adaptations, and including initators as well as innovators (Kirzner, 1973; Cheah, 1990). By these mechanisms, according to Kirzner (1997), entrepreneurship eventually moves the market towards equilibrium.

Shane (2000), based on an empirical investigation involving eight business opportunities to exploit the same technology (the three-dimensional printing process), found evidence to support the assumptions of Austrian economics, that information asymmetry exists in the market, that different people perceive different opportunities in the same technology, and that no-one perceives all the opportunities potentially available. They concluded that public policy to promote entrepreneurship should include investment in the development of knowledge. Another implication of the Austrian economic theory, according to Nelson (1990) is that decentralized exploitation of opportunity is preferable because, since no-one

can identify all opportunities, centralized commercial exploitation will lead to under- identification of opportunity.

While the Schumpeterian and Austrian economic theories of entrepreneurship are opposites, Cheah (1990) suggests that they are complementary. He proposes two extreme positions, of complete certainty /equilibrium and complete uncertainty /disequilibrium, each of which favours one model of entrepreneurship, but also contains the seeds of the other. In the first scenario, complete certainty, there is no opportunity for information exploitation, but there is scope for disequilibrating long-term change of the Schumpeterian type. This introduces uncertainty, and as the uncertainty grows, so does the opportunity for Austrian-style entrepreneurship, because the market is not perfectly coordinated.

Conversely, in the second scenario of complete certainty /disequilibrium, there is scope for Austrian entrepreneurship, such as speculation, imitation and adaptive innovation. These activities lead to an increase in knowledge and hence more certainty, providing opportunity for entrepreneurship in Schumpeter's terms. At any intermediate point between the two extreme scenarios, therefore, there is scope for both Schumpeterian and Austrian activities and opportunities. This means, however, that it can be difficult to identify the different modes of entrepreneurship, or to judge which kind should be supported or is more likely to succeed (Cheah, 1990).

The economic theories of entrepreneurship provide insights into its role in and effect on the market (Cope, 2005) and particularly the importance of opportunities and knowledge, which can have implications for ways of supporting entrepreneurship. However, they also have limitations in their failure to consider the environmental factors that may influence the availability of knowledge and opportunity, and the conditions that may facilitate or impede their exploitation (Shane, 2000). Therefore, they do not provide an adequate theoretical foundation for this study.

2.4.2. *Psychological theory*

Psychological theory focuses on identifying characteristics of entrepreneurs, which are likely to influence their propensity to act on perceived opportunities by setting up an entrepreneurial expertise, and their chances of success. The intuitive assumption that entrepreneurs have special characteristics that distinguish them from others is illustrated in Yusuf's (1995) survey of South Pacific entrepreneurs concerning critical success factors for small businesses; participants ranked personal qualities, such as self-confidence and perseverance, third among nine factors investigated - behind good management and access to finance, and just ahead of government support. Yusuf's (1995) study did not discuss these personal characteristics in detail, but there is a considerable body of theoretical and empirical research that has focused specifically on exploring the role of personality characteristics in entrepreneurship. Such literature has focused on three groups of factors: personality and motives, core self-evaluation characteristics and cognitive characteristics (Mwiya, 2014).

2.4.2.1. Personality and motives

This group consists of four characteristics thought to influence the likelihood of an individual choosing to become an entrepreneur and seeking opportunity to do so.

One of the most researched factors in this group is risk-taking propensity (RTP). Risk taking is a fundamental part of entrepreneurship (Van Praag and Cramer, 2001; Kobia and Sikalieh, 2010). It involves investing money, time and effort, in something new and relatively uncertain, perhaps leaving secure employment to do so (Kobia and Sikalieh, 2010). Thus, it has been suggested that entrepreneurship is attractive to those who are tolerant of, or even welcome risk (Franke and Lüthje, 2004) and there is evidence that people high in RTP are more likely to become entrepreneurs than people who score low on this attribute (Zhao et al., 2005).

Another attribute frequently researched is the need for achievement (NAch), reflecting the strong desire for success and willingness to persist and work hard to attain it (McClelland, 1965). Individuals with high NAch are not satisfied with the status quo and set challenging goals and standards (Lee and Tsang, 2001). In a

survey of Singaporean entrepreneurs, NAch emerged as the most influential of the investigated personality factors on venture growth. Further empirical support for a link between NAch and entrepreneurship is reported by a number of researchers, for example, Rauch and Frese (2007) and Volery et al. (2013), who suggest that those high in NAch seek careers where performance depends on their own efforts. However Kobia and Sikalieh (2010) point out that attitudes toward achievement differ across cultures. Indeed, Lee and Tsang (2001) explain the findings on the importance of NAch to the Singaporean culture, which has low tolerance for failure.

The third motivation for entrepreneurship is said to be the desire for independence and preferences to be under one's own control (Kolvereid, 1996). By electing to be self-employed, entrepreneurs gain greater autonomy and reduce or avoid organisational constraints (Lee and Tsang, 2001). Lee and Tsang (2001) also use the related term, self-reliance, making the distinction that, whereas independence reflects a desire to be one's own boss, self-reliance includes also a perception that one has the capability to cope with the associated challenges.

The last attribute to be considered in this group is extroversion, which includes the features of assertiveness, ambition and intuitive (Zhao et al., 2010). Entrepreneurs spot opportunities that others do not, and so have to convince others, such as customers and investors, of the value of their idea, which may explain the link between entrepreneurship and extraversion found by, inter clue, Burke et al. (2000) and Brandstätter (2011).

2.4.2.2. Core self-evaluation characteristics

These characteristics are related to self-esteem, evaluation of one's capabilities, and belief in one's ability to influence outcomes through effort and competence (Judge et al., 2002; Shane, 2003). Two widely researched attributes are locus of control and generalized self-efficacy.

Locus of control (LoC) is a perception of the degree to which an individual sees outcomes as the result of his/her own actions and abilities (internal LoC) or of others' actions or environmental factors (external LoC). Individuals with a high

internal LoC underplay the influence of external factors, believing they can influence their own success, a feeling that encourages entrepreneurship (Rauch and Frese, 2007). Such individuals rely on their own will, ability and actions, and develop their own strategies for managing tasks and act autonomously in pursuit of their interests. However, as Kobia and Sikalieh (2010) point out, because in practice, entrepreneurship is influenced by multiple social, political and organisational forces that may constrain or assist entrepreneurial activity, individuals may feel in control of some aspects but powerless in others. Thus, they argue, LoC does not sufficiently explain entrepreneurship.

2.4.2.3. Cognitive characteristics

The last group of factors investigated under the psychological theory of entrepreneurship is cognitive characteristics that influence thought and decision-making. These characteristics, which change over time and are affected by context, are used to cope with uncertainty and lack of information (Mwiya, 2014). They include overconfidence - a tendency to overestimate the likelihood that one's judgement and actions are correct (Bhidé, 2003); representativeness – a tendency to generalize from limited experience and knowledge (Busenitz and Barney, 1997), and intuition - the reliance on belief in the absence of evidence and information (Allinson et al., 2000).

2.4.2.4. The attitude approach

Robinson et al. (1991) challenged the personality/traits approach to investigating entrepreneurship on methodological grounds, claiming the doubtful validity of many instruments used to measure personality traits, and criticizing the use of general measures in the entrepreneurship context, for which they were not designed. They advocated an attitude-based approach, and developed the Entrepreneurship Attitude Orientation scale. Based on an extensive literature review, they generated an initial pool of over 700 items, which were subsequently refined and reduced by a team of psychologists. However, three of the four dimensions of the resulting scale echoed major constructs within the personality approaches: NAch, personal control (similar to LoC) and self-esteem. Although their

fourth dimension, innovation, reflects the Schumpeterian perspective, discussed earlier, their scale predominantly reflects the psychological approach, demonstrating the popularity of psychological explanations of entrepreneurship. Nevertheless, this theory also attracts much criticism, as indicated below.

2.4.2.5. Critique of psychological theory

Despite the popularity of the notion that certain psychological attributes increase the possibility of entrepreneurship and the likelihood of success, there are several problems in applying this theory. One is the uncertainty as to the nature of the attributes themselves, and how they are acquired. It remains controversial whether such attributes are innate or learned, and if the latter, whether this is due to being an entrepreneur, that is, a consequence rather than an antecedent of entrepreneurship (Krueger and Dickson, 1994), to being in a supportive environment (Shinnar et al., 2012), or to gaining knowledge and skills (Rasheed, 2000).

Moreover, the impact of certain attributes has been questioned. For example, attributes that increase the possibility of opportunity exploitation do not necessarily increase the likelihood of success; overconfident people, for instance, may be inclined to exploit an opportunity, but may fail to evaluate accurately what will be involved, and the likely level of competition (Shane and Venkataraman, 2000). The emphasis on psychological factors also risks neglect of influential contextual factors – social, political and organisational - which affect the scope for exploiting opportunities, and the challenges involved.

Such considerations may explain why the outcomes of empirical work on psychological attributes have produced mixed results. Although, as reported above, support exists for all the factors mentioned, no entrepreneur possesses all the attributes; nor does the possession of any attribute distinguish between entrepreneurs and managers or other non- entrepreneurs. Moreover, there also exists disconfirming evidence on the significance of psychological factors. Some studies find that characteristics such as RTP, or internal LoC, rather than supporting entrepreneurship, have no effect (Altinay et al., 2012) or even a negative effect

(Solesvik et al., 2013). For these reasons, and because the theory cannot explain the role of institutional support in entrepreneurship, the psychological theory is not selected as a basis for this study.

2.4.3. Processual view of entrepreneurship

In general terms, a process is a series of actions, changes or functions that result in a particular outcome (Mwiya, 2014), and the Cambridge Dictionary defines a process as "a series of actions that you take in order to achieve a result" (Cambridge Dictionary, 2018). Oxford Dictionaries also defines process as "a series of actions or steps taken in order to achieve a particular end" (Oxford Dictionaries, 2018). As applied to entrepreneurship, the processual perspective focuses on what the entrepreneur does (Carter et al., 1996; Shane and Venkataraman, 2000; Shane, 2003) with a particular focus on venture creation. The creation of an organisation is seen as a contextual event involving a complex, dynamic process, comprising a number of individual actions or stages (Kobia and Sikalieh, 2010). In this perspective, it is essentially the organisation that is the unit of analysis, and the individual entrepreneur is of interest as part of the process by which organisations come into existence (Kobia and Sikalieh, 2010).

A number of authors have attempted to describe and/or illustrate the process of venture creation. Gartner (1985) for example argued that the entrepreneurship process involves the identification of an opportunity, evaluation of the opportunity, acquisition of the resources needed to exploit the opportunity, creation of the product or service, marketing, building the organisation, and responding to government, customers, and the market.

Similar activities are included in a process model developed by Bhave (1994) on the basis of interviews with a number of entrepreneurs in New York, concerning their experiences of venture creation. Bhave classified the resulting list of activities into three phases, each characterized by particular components, influences and needs: the opportunity stage, concerned with development of the business concept; the technology set-up stage, involving acquisition and arrangement of production technology and setting up the organisation; and the exchange stage, involving the

creation and sale of the product. Figure 2.1 below illustrates the venture - creation process as Bhave conceptualized it.

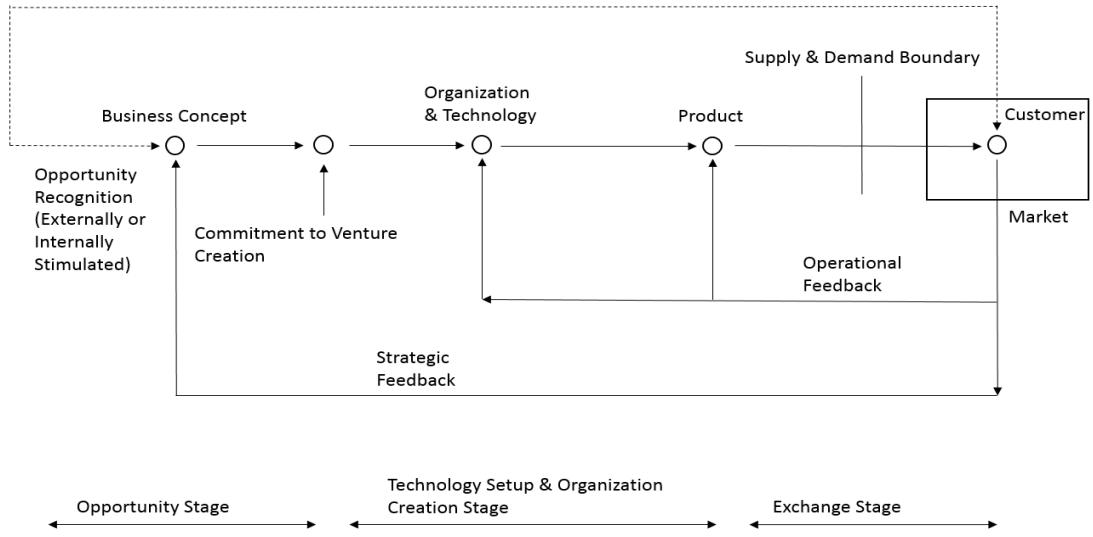

Figure 2.1: The venture creation process (Source: Bhave, 1994: 235)

The model is integrative, seeking to provide an overarching process model that, by identifying conceptual categories and stages of the venture creation process, links sub-processes that had previously been discussed in isolation, such as opportunity recognition and product development. It combines both conceptual processes (concept development and the formation of a commitment to establishing a new venture) and physical processes (setting up the technology, establishing the organisation, producing the product). A noteworthy feature of the model is that it is not linear, but iterative, reflected in the broken line at the top of the figure, which represents a process of strategic and operational feedback that can stimulate the generation of new ideas and processes.

It can be seen that Bhave's model, which was grounded in empirical data, shares with Gartner (1985) the starting point of opportunity recognition and the practical aspects of resource acquisition (here, technology), organisation building, and production of a product. Like Gartner, Bhave does not consider the role of individual entrepreneur attributes in influencing the stages of the venture creation process.

Perhaps the most commonly used framework in the process theory of entrepreneurship, however, is that of Shane (2003), who developed the idea of Gartner (1985) into a framework that itemises phases in the venture creation process, each associated with particular skills, actions and context. Like Bhave's (1994) model, it is recursive, as it assumes that entrepreneurs learn from experience (Mwiya, 2014).

Shane's (2003) model is shown in Figure 2.2.

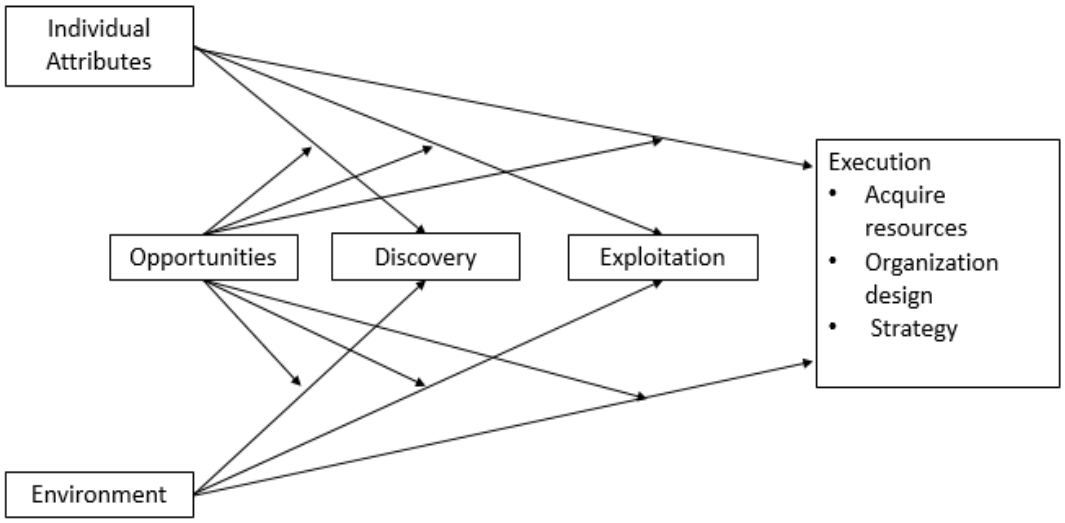

Figure 2.2: Shane's (2003) model of the entrepreneurial process (Source: Shane, 2003)

Unlike Gartner (1985) and Bhave (1994), Shane begins by explicitly locating the venture creation process in the context of the environment and attributes of the individual entrepreneur, shown on the left hand side of the model. The environment includes influences such as social and economic change, development of new markets and distribution channels, and availability of the technology (Bjerke, 2007). As for individual attributes, Baron and Shane (2007) suggest that individuals can increase their ability to recognise opportunities by building and organising their knowledge, and increasing their access to information. In addition, in order to exploit the opportunities they perceive, entrepreneurs need motivation and an intention to create and grow a business to achieve profit (Kobia and Sikalieh, 2010). Opportunities will be evaluated in terms of the degree of uncertainty they

pose, how radical they are, and the like, leading to a decision whether or not to exploit the opportunity identified. The entrepreneur then works in the execution stage, which involves extensive planning: the articulation of a clear vision, as well as the practical steps of accumulating the necessary human, material and financial resources, and deciding the legal form, size and structure of the new organisation (Shane, 2003; Kobia and Sikalieh, 2010; Mwiya, 2014).

Process models are helpful in focusing attention on what needs to be done in order to bring a new venture into existence. They can provide a blue-print for practice, as well as bringing a number of separate concepts and discourses into an integrated whole. Moreover, the identification of concepts and stages in the venture creation process facilitates comparison across entrepreneurs, organisations and contexts (Bhave, 1994). Nevertheless, this approach has been criticised for not adequately distinguishing between entrepreneurs and managers (Amit et al., 1993) and for ending the process with creation of the organisation, failing to account for what happens afterwards. The latter criticism is not wholly founded, as the process models assume a feedback process by which entrepreneurs learn from their dealings with customers and other stakeholders. Nevertheless, referring to the interest of this study, it can be argued that the models do not clearly articulate the activities and challenges of the early start-up phase, which extends well beyond the establishment of the organisation (for the first 44 months, according to GEM, 2016). Moreover, while all the authors referred to in this section comment on the acquisition of resources, and Shane (2003) notes the existence of environmental influences, none of them explicitly consider agencies and mechanisms that provide support for entrepreneurs.

2.4.4. The GEM model

This model, originally put forward in a report by Reynolds et al. (1999) for the Global Entrepreneurship Monitor (GEM) project, depicts the relationship between established and new business activity and national economic growth, and the antecedents of both these types of activity (Levie and Autio, 2008). It is not designed to, or intended to test any specific theory, but is a framework for a policy

research project concerned with measuring and describing entrepreneurial activity across multiple national contexts (Bergmann et al., 2013). The model is described in Figure 2.3 below.

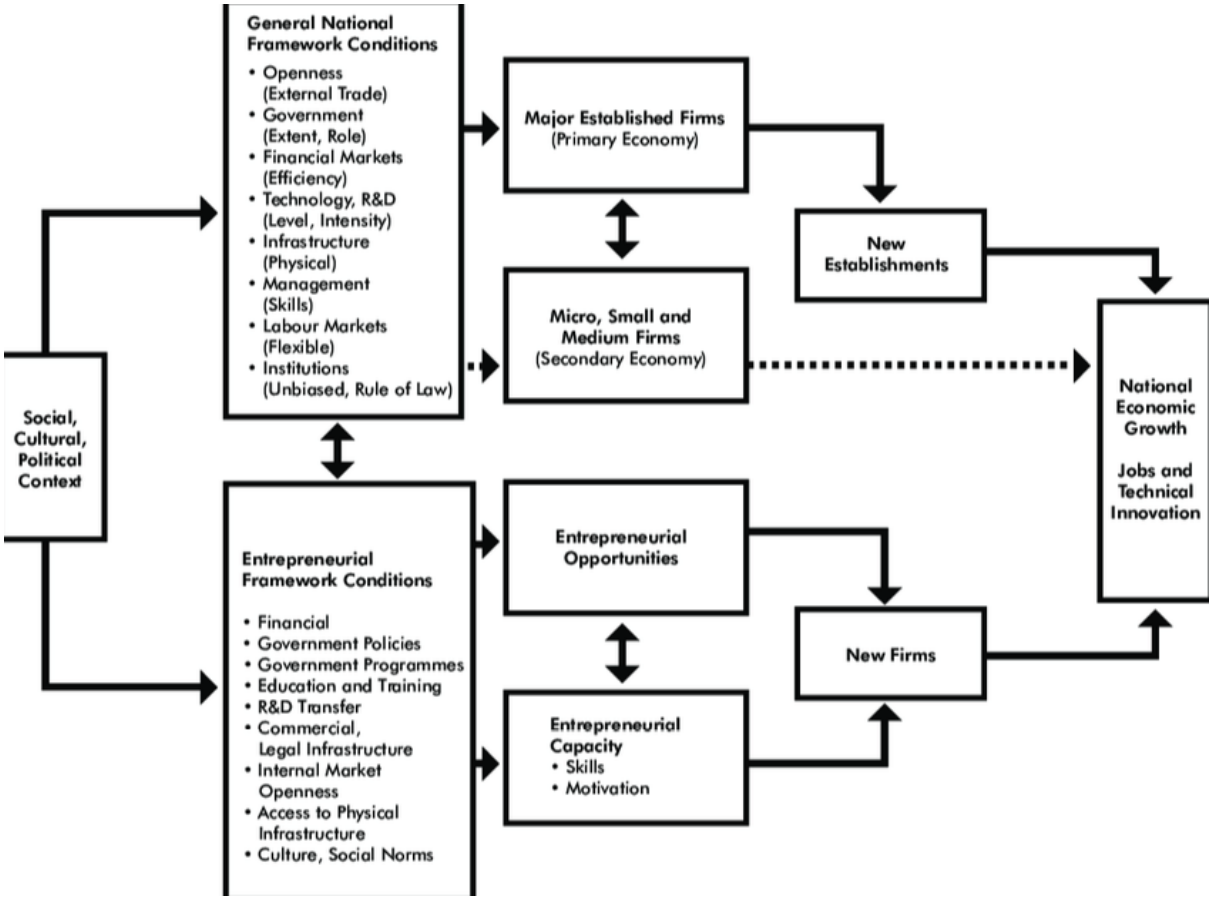

Figure 2.3: GEM conceptual model (Source: Acs et al., 2005: 14)

Although the model was not explicitly theorized, Levie and Autio (2008) have interpreted its view of the relationship between entrepreneurship and economic growth in terms of Austrian economics, including Schumpeter's (1934) view of entrepreneurship as a disruption of the status quo through innovation. Kirzner's (1997) focus on the discovery of arbitrage opportunities in the market, and Leibenstein's (1968) interest in the role of entrepreneurial opportunities (objective and perceived) and capacity. From this perspective, opportunity is a demand side factor, which is met by entrepreneurial capacity as a supply-side factor. Entrepreneurship occurs when individuals who believe they have the skills and motivation to initiate new ventures perceive opportunities to do so (Levie and Autio, 2008).

Of particular relevance for this thesis is the model's proposed set of structural conditions that determine the perception of opportunity and capacity for entrepreneurship-termed "entrepreneurship framework conditions" (EFCs). Levie and Autio (2008) depict the EFCs as a set of exogenous factors that constitute the "rules of the game" for entrepreneurial activity, and in this sense it could be argued that, despite their emphasis on economics-based theorization, the model can also be seen as reflecting elements of institutional theory (see section 2.4.5.).

The EFCs proposed in the model are as follows:

Finance: entrepreneurship requires investment, and lack of access to finance has been identified as a key barrier to entrepreneurship (Choo and Wong, 2006).

Government policy: for example the extent to which government prioritizes entrepreneurship and policies that enhance market efficiency and create a conducive environment for entrepreneurship (Levie and Autio, 2008).

Regulation: the nature, clarity and rigidity or flexibility of regulation can encourage or deter entrepreneurship. For example, taxation is a cost to firms, but can also be structured to provide incentives for business. Complex bureaucratic regulations and delays in obtaining permits and licences can be an impediment to entrepreneurship (Klapper et al., 2006).

Government programmes: these can support entrepreneurship through helping to meet resource and competence needs, reducing transaction costs and enhancing human capital (Levie and Autio, 2008).

Education and training: these can contribute to entrepreneurship activity in three ways: by provision of necessary skills (Honig, 2004); by enhancing the cognitive ability to perceive and access opportunity (DeTienne and Chandler, 2004); and by the cultural effect on attitudes and behavioural dispositions towards entrepreneurship (Peterman and Kennedy, 2003).

R and D transfer: the speed and cost of converting research knowledge into economically useful knowledge can be an influence on the attractiveness and ease of new business creation (Acs et al., 2006).

Commercial and legal infrastructure: business enterprises are facilitated by the availability of business services such as banking, advertising and consultancy. Ruef (2005) identified the importance of legal services.

Internal market openness: market dynamism opens up opportunities for entrepreneurship (Levie and Autio, 2008).

Physical infrastructure: the opportunity and capacity for business are influenced by access to transportation, land and communications facilities (Hansen and Sebora, 2003).

Social and cultural norms: these include both the national culture and more entrepreneurship-specific cultural norms, that determine the level of respect for entrepreneurship and provide (or deny) social legitimatisation (Levie and Autio, 2008).

The importance of the GEM model is in influencing the way data is collected and analysed. Data on the various factors included in the model are collected in several ways: through surveys by partner organisations in the countries concerned, through interviews to access the assessments of national experts, and using standardized data from international sources such as the UN, WB and IMF (Eid, 2016). GEM has published annual reports since 1999, and by 2014, 85 countries participated.

An advantage of the GEM model is that it takes into account more factors and attributes than models that focus solely on opportunities, or those that focus on the characteristics of entrepreneurs. It is particularly useful in highlighting the role of government in shaping the conditions for entrepreneurship (Eid, 2016). GEM data is widely used by researchers, for example, to examine the impact of the national institutional environment or culture on entrepreneurship (Bergmann et al.,

2013). For example, Coduras et al. (2008) used GEM data to investigate the role of university support and education on entrepreneurship in Spain.

Nevertheless, Bergmann et al. (2013), based on an extensive systematic review of 109 articles using GEM-based data identified a number of shortcomings of the way the model variables are defined and measured. For example, they question the validity of combining nascent entrepreneurs and new-business owner managers in one category, and suggest that GEM's broad definition of entrepreneurial activity may not suit all research questions. Moreover, the model assumes a direct relationship between positive entrepreneurial perceptions and setting up a business, but fails to consider the reciprocal possibility that starting a business may enhance perceptions of opportunities.

2.4.5. Institutional theory

Institutional theory is a perspective that emphasizes how socially constructed environments shape individual and organisational behaviours and outcomes (Scott, 2001, 2008b). In an early, general definition, Veblen (1967: 10) explained that an institution is "a usage which has became axiomatic and indispensible by habitation and general acceptance", while North (1991) defined institutions as humanly-devised constraints. Such constraints or usages may take a variety of forms, formal or informal.

Formal institutions are often state-level, government-led structures and arrangements, such as regularity systems, laws, courts and government agencies (Hopp and Stephan, 2012; Abebrese, 2015). North (1991) identified property rights, constitutions, economic rules and contracts as examples of such legal and regulatory institutions.

While formal institutions exist in tangible, recognisable form, such as documents and regulatory bodies, informal institutions are "more implicit, slowly changing, culturally transmitted and socially constructed" (Stephan et al., 2015: 310), representing codified attitudes in society (El Harbi and Anderson, 2010). They include customs, codes of conduct and values (North, 1991). Welter (2011) defines

them as scripts and societal or cultural practices that exert conformance pressures towards particular behaviours. Examples include attitudes toward entrepreneurship in a particular society, or ideas about the role of women that exert pressure on women to engage in socially approved behaviours and refrain from others (Welter and Smallbone, 2008; Mair et al., 2012).

Institutions, whether formal or informal, define what behaviour is appropriate in a particular context, and shape the choices available, potentially making some courses of action attractive, while others may be unfeasible or even unthinkable (DiMaggio and Powell, 1991; Bruton et al., 2010). These constraints that shape actors' thoughts, preferences and behaviours (Buame, 1996) serve to reduce uncertainty by providing a stable background for socio-economic activity (North, 1988) and, from a sociological perspective, enable individuals and organisations to secure legitimacy by conforming to the rules of the institutional environment (Scott, 2001).

As a theoretical lens for understanding entrepreneurship, institutional theory offers insights into the complexities and subtleties of entrepreneurial actions, which are embedded in a specific context (Karataş-Özkan et al., 2014). By locating entrepreneurship within a wider social context (Watson, 2013; Doblinger et al., 2016) it explains how shared systems of rules support or constrain capability towards various forms of action and serve various interests, through rewards and sanctions (Sine and David, 2010). Stephan et al. (2015), in a study of social entrepreneurship, found evidence that human behaviour is jointly shaped by both formal and informal institutions (so-called institutional configuration) and that support and enabling resources, tangible and intangible, from various government and private sources, is important to entrepreneurial success. Conversely, "institutional voids" (absence or weakness of institutions) can negatively impact market formation, economic growth and development (Mair et al., 2012). According to Sine and David (2010) and Ngoasong (2018), environmental factors such as laws and regulations, infrastructure, education and community networks shape entrepreneurial processes such as identifying or creating and exploiting opportunities, from founding, early growth and development. Accordingly, the

following subsections consider, respectively, different types of institution (regulatory, normative and cognitive-cultural) that make up the institutional profile of a country, and some of the ways in which these institutions affect entrepreneurship.

2.4.5.1. Types of institutions

It has become common for authors to discuss different types of institution and the ways in which they operate by referring to the three-fold typology, developed by Scott (1995): regulatory, normative and cognitive-cultural institutions.

2.4.5.1.1. Regulatory

The regulatory category is derived mainly from studies in economics and reflects a relational actor model of action based on sanctions and conformity (Bruton et al., 2010). It encompasses government policies, laws and regulations that encourage some behaviours and restrict others (Veciana and Urbano, 2008). Authors have identified a number of specific elements of a country's regulatory institutions that are important in shaping the environment for entrepreneurship. For example, Boettke and Coyne (2003) and Mair et al. (2012) highlight the importance of clear and well-protected property-rights. Would-be entrepreneurs, for example, need to be confident that the enterprise they set up will be safe from expropriation, and that their intellectual rights in respect of any new products they create are protected. The quality of financial institutions and the nature of the tax system will influence the degree of risk associated with investment, the nature and safety of the financing options available, and opportunity to make profit (Estrin and Mickiewicz, 2010). Labour law has been highlighted by some authors (Hall and Jones, 1999; Kanniainen and Vesala, 2005) as another salient element of the regulatory environment; in the Saudi context, for example, labour law imposes constraints on the employment of foreign labour, and on the fields in which women may work (The Ministry of Labor and Social Development, 2019). Acemoglu and Johnson (2005) assert, moreover, the importance of a market economy in providing opportunities for entrepreneurship. Another influential aspect of the regulatory environment is the degree of bureaucracy involved; complex regulatory and

bureaucratic procedures are deterrents to entrepreneurial activity (Dutta and Sobel, 2016; Munoz and Kibler, 2016). This is especially the case for women, who often lack the contacts and resources needed to negotiate bureaucracy and complete numerous costly procedures (Mwobobia, 2012). The challenge of managing bureaucracy has been identified as a key challenge to Saudi female entrepreneurs (Danish and Lawton Smith, 2012).

2.4.5.1.2. Normative

Normative institutions are sets of socially-shared norms, beliefs and values (Veciana and Urbano, 2008) which according to Doblinger et al. (2016), explain the embeddedness of individuals and organisations in intra-and extra-industry networks. Authors define and illustrate such institutions in both formal and informal terms. Some, such as Ahlstrom and Bruton (2002) refer to formal, often intra-industry institutions manifested, for example, in standards and codes of practice, although they note that transitional societies may not yet have well-developed normative institutions. Stephan et al. (2015) and Busenitz et al. (2000) define this dimension more informally, as relating to socially supportive or inhibitory cultural norms towards particular behaviours, such as entrepreneurship.

The function of normative institutions is to define appropriate goals and ways of achieving them in a particular context (Scott, 1995). They determine what behaviour is expected in various situations, creating a sense of social obligation (Baumol et al., 2007). Individuals and organisations face pressure to comply with the prevailing norms, in order to access resources, whether material (such as investment), human (e.g. employees and supporters) or intangible (such as reputation and cooperation) (Zimmerman and Zeitz, 2002; Anderson and Smith, 2007).

This means that entrepreneurial activities that accord with widely-held norms and values are likely to experience less resistance and receive more support than those that do not; an example in some contexts, as suggested by Sine and David (2010) is the use of “green” technology. In a society in which environmental consciousness is a valued social norm, enterprises will face pressure to take this into consideration

and those that are seen to use “green technology” are likely to receive more support and face less opposition, than those that do not.

Normative institutions also influence who becomes an entrepreneur; socially-held expectations about the types of individuals and groups who perform, or should perform, certain activities, can act to deter or exclude those who do not fit the prevailing stereotype (Sine and David, 2010).

Authors who view normative institutions in terms of socially supportive or unsupportive attitudes have often looked at national culture as a key element of the informal institutional environment that shapes the norms prevailing in a given society, in particular, there is a stream of literature linking entrepreneurship to Hofstede’s (1980, 2001) cultural dimensions, especially individualism and uncertainty avoidance (Salimath and Cullen, 2010). Individualistic cultures that value individual characteristics, achievements and status are likely to be more favourable towards entrepreneurship than collectivist cultures, where larger social groups such as the family or tribe are prioritized over the individual: the link between individualism and entrepreneurship was supported in Nepal by Bhawuk and Udas (1996) for example. As for uncertainty avoidance, this concerns a society’s tolerance for risk and ambiguity (Hisrich et al., 2013). Hence, high uncertainty avoidance is found to be negatively associated with entrepreneurship (Venkataraman et al., 1992).

2.4.5.1.3. Cognitive

Cognitive institutions refer to shared knowledge that becomes part of the social understanding in a given society (Berger and Luckmann, 2007). These cognitive structures influence behaviour by providing schemas that people refer to when selecting or interpreting information (Kostova, 1997).

As conceptualised by Scott (1995), these structures do not, solely or necessarily, refer to objective fact; they are subjectively-constructed rules and meanings that limit appropriate beliefs and actions (Bruton et al., 2010), whether or not they are supported by objective evidence. Sine and David (2010) illustrate this with the

example of beliefs about the necessity, content and appropriate form of business plans. They comment that there is a lack of evidence of a correlation between the preparation of such plans and entrepreneurial success or failure. Nevertheless, such beliefs become entrenched as part of the common "knowledge", with various consequences; for example, they affect evaluation of risk, such that entrepreneurial models or plans that do not conform to the received wisdom may result in projects being seen as more risky. This, in turn, can influence behaviour such as the willingness to invest (Sine and David, 2010).

Interestingly, however, Busenitz et al. (2000) take a narrower and more literal view of the cognitive dimension of institutions, than the one originally intended by Scott (1995), omitting the idea of subjectively-constructed cognitive 'scripts' and focusing solely on objective knowledge and education in relation to entrepreneurship. Their conceptualization is discussed further below (sections 2.4.5.1.4. and 3.3.1.2.).

2.4.5.1.4. The concept of country institutional profile

Building on Scott's (1995) three-fold typology of institutions, Kostova (1997) proposed combining and measuring them to create country institutional profiles, to explain how government policies (regulatory), widely shared social knowledge (cognitive) and value systems (normative) affect domestic business activity. Such measurements, she argued, should be domain-specific.

Following in this vein, Busenitz et al. (2000) developed a scale for measuring country institutional profile with specific reference to entrepreneurship. In their operationalization, the regulatory dimension refers to various formal institutional arrangements likely to affect entrepreneurship, such as government sponsorship and property rights. The cognitive domain is interpreted as the public awareness of entrepreneurship and knowledge about how to finance, set up and manage a business, as well as availability of entrepreneurship education. The normative dimension is defined as society's admiration for entrepreneurs, disposition towards creativity and innovation, and view of entrepreneurship as an acceptable and respected career path. Their instrument was validated in a large-scale study involving 46 countries. Subsequently, Manolova et al. (2008) validated Busenitz et

al.'s (2000) instrument for the emerging economies of Bulgaria, Hungary and Latvia, and further, used it to compare institutional environments for entrepreneurship in the three countries.

2.4.5.2. How institutions affect entrepreneurship

In addition to identifying types and roles of institutions in society generally, scholars have applied the institutional perspective to identify a variety of ways in which formal and informal institutions shape entrepreneurship behaviours and outcomes, including the following:

a) Shaping opportunity fields

As noted in the previous section, a key feature of entrepreneurship is the recognition and exploitation of opportunity (Kodithuwakku and Rosa, 2002; Thompson, 2004). However, the availability and location of opportunity can be influenced by formal policies and regulations, such as the government's structuring of industry (Fuduric, 2008), and action in providing (or not providing) grants and contracts (Kirzner, 2009; Opoku, 2010). Institutional change in a society may raise or lower barriers to entry; an example of the latter is the enactment in the former Soviet Union of laws allowing the existence of non-state forms of enterprise (Welter and Smallbone, 2008; Smallbone and Welter, 2009). Ngoasong (2018) identified laws and regulations on business formation and operation as key factors in the emerging field of digital entrepreneurship. Having said this, such formal institutional forces do not operate in isolation, as illustrated by Williams and Vorley (2015). They show how, in Greece, attempts of economic reform in favour of entrepreneurship, since the recent financial crisis, have been undermined by unfavourable social attitudes, illustrating the point made earlier, that informal institutions, such as social norms and cognitive scripts, are harder to change than formal ones.

b) Determining transaction costs

A number of authors point out the importance of effective legal and financial institutions in reducing various costs potentially incurred by entrepreneurs.

Effective legal institutions provide credible assurance, thereby enhancing confidence in exchanges between economic actors (Johnson et al., 2002). For example, where legal systems are weak, the cost of enforcing contracts is high (Peng and Zhou, 2005). Similarly, in Tanzania, Nkya (2003) found that lack of effective Institutional structure and enforcement led to high transaction costs due to the need for private monitoring and protection of property rights. Williams and Vorley (2017) point out that frequent changes of regulations, bureaucracy, and associated compliance costs increase transaction costs. As for financial institutions, a well-developed capital market is associated with legal protection for transactions and availability of capital; it supports and enables borrowing, since the existence of clear and strong rules improves credit worthiness (Hoskisson et al., 2005). According to Sautet (2005), a successful economy is characterized by alignment between formal and informal institutions in defining and enforcing desired behaviours. Without such alignment, the cost of enforcement of formal institutions increases. A separation or smaller overlap between formal and informal institutions makes it more difficult for policy-makers to influence or control individual behaviour.

c) Conferring legitimacy

Legitimacy refers to social acceptance and support conferred on the basis of correspondence between a firm's value system and that of the wider society (Abebrese, 2015). It may involve compliance with formal regulatory structures, such as those imposed by professional or accreditation-awarding bodies, or with more informal norms and values (Zimmerman and Zeitz, 2002). Failure to conform to prevailing objective or subjective norms entails the threat of legal, economic or social sanctions.

d) Countering market failures to increase entrepreneurship

Regulatory instruments can counter market failures by regulating conduct in goods, services, labour, assets and financial markets (Abebrese, 2015). The potentially harmful impact on financial liberalization without adequate regulatory vigilance has

been demonstrated by the financial crisis in South-east Asia in the 1990s (Rodrik, 1999) and across Europe and the USA more recently (Simpson, 2010). However, at the other extreme, regulatory requirements can also be barriers to entry and dissuade potential entrepreneurs from pursuing opportunities (Bruton et al., 2010).

e) Influencing strategic decisions

The operation of formal and informal institutions can shape decisions, such as which opportunities to pursue, who to employ, which customers to target, and many more, as they can render some choices infeasible, or even unthinkable (DiMaggio and Powell, 1991). Such constraints can cause rigidities, discouraging risk-taking and proactiveness, and eroding innovation (Doblinger et al., 2016). However, it is not only the content of institutional constraints that can have negative effects; in the case of regulatory institutions, the degree of certainty or uncertainty surrounding them is also important. There is evidence that in times of regulatory uncertainty, entrepreneurs adapt by imitating those they see as successful, which hinders innovation (Engau and Hoffmann, 2011). Moreover, they are likely to avoid uncertainty by refraining from pursuit of high-risk projects (McMullen and Shepherd, 2006) or investment in new technologies (Nemet, 2009). Doblinger et al. (2016), in a firm-level study of the German renewable energy industry, found support for such negative impacts of regulatory uncertainty on innovativeness.

2.5. Entrepreneurship and support

As Watson et al. (1998) point out, the infancy period of new businesses is a time of vulnerability. Many start-ups fail to survive and grow. However, the likelihood of entrepreneurial success can be enhanced by the availability of various forms of support, which may be formal or informal, at macro-economic or local level, and provided either by the government, Non-Governmental Organisations (NGOs) or the private sector. The kinds of interventions and programmes that, individually or in combination, are needed for and successful in enabling and supporting entrepreneurship will vary according to the policy environment and the associated constraints, as well as the target beneficiaries (for example, gender and education

level) (Cho and Honorati, 2014). This section begins by outlining some of the ways in which national governments may encourage and support entrepreneurship, particularly through macro-economic policy. It then turns to identify forms of national and local level support that may be provided by a variety of institutions, in three main areas: finance, education and training, and counselling / consultancy.

2.5.1. *Government policy*

The expectation that entrepreneurship activity promotes economic growth and development has led many governments to implement policies intended to encourage entrepreneurship (Minniti, 2008). Topimin (2015) identifies three types of government policy on entrepreneurship: a laissez-faire approach, with little or no intervention and reliance on natural processes to determine the business lifecycle-limited intervention, confined to providing a conducive environment for entrepreneurship (for example, a favourable tax regime, control of inflation, and restraining interest rates); and strategic intervention, in which the government actively encourages small business development and protects their interest. In addition to the general environmental policies contained under the limited intervention approach, the strategic approach includes education and training for entrepreneurs, and direct aid for small businesses.

Baumol (1996) argued that the supply of entrepreneurship is relatively constant; where government policy can make an impact is in setting the rules of the game that influence how entrepreneurial effort is allocated and, hence, how productive it is. An important consideration is that government policy needs to be tailored to local conditions, such as existing resources, networks and capabilities (Minniti, 2008).

Tools typically used by governments with the aim of encouraging entrepreneurship are financing, taxation, trade regulations and encouragement of innovation. Access to finance, for example, may be provided by mutual credit guarantees, microfinance schemes, on attracting venture capital, although the evidence on the impact of such strategies is mixed (Li, 2002; Bygrave and Quill, 2007).

Another common approach is to manipulate the tax system to make it favourable to smaller and entrepreneurial ventures, in the hope of encouraging start-ups. However, Holtz-Eakin (2000) and Bruce and Mohsin (2006) found little evidence of substantial favourable impact of tax policies on entrepreneurial firms, while Gentry and Hubbard (2000) and Takii (2008) found that progressive tax rates can actually discourage entrepreneurship.

Trade regulation may seek to promote entrepreneurship by such means as tariffs or tax regimes that avoid penalising the profits from venture capital, or export credits and guarantees. Minniti (2008) and Bosma et al. (2018), conversely, argue that open economies with little regulations are more conducive to entrepreneurship, as they offer the potential for entrepreneurs to seek new market opportunities.

The fourth type of government support for entrepreneurship is through regional and national-level interventions such as the creation of chamber of commerce, training programmes, incubators, and the establishment of science, technology and research centres (Storey, 2003).

The extent of the government role in supporting entrepreneurship, and the forms taken by such support, will depend on a number of factors, such as the level of national development. According to Yusuf (1995), for example, in developing countries, an expected role of government is to provide and safeguard citizens' livelihood through macroeconomic policies. Consistent with this expectation, in the South Pacific context Yusuf (1995) found that entrepreneurs ranked government support (including provision of basic infrastructure, tax incentives and protection against big businesses) ranked fourth among nine critical success factors in the perception of entrepreneurs.

As Eid (2016) points out, however, governments in developing countries, in particular, may lack the resources for promoting entrepreneurship; moreover, their primary focus is on national projects and the establishment of infrastructure (GEM, 2014). In such circumstances, NGOs and the private sector (for which entrepreneurship is a source of business opportunity) may help to fill the gap. In

the following sub-sections, therefore, the organising principle is based on the nature of the support provided, rather than the provider. In line with Cho and Honorati (2014) three main types of support are identified: finance, education and training, and counselling / consultancy. Each may involve various types of provider, and often, intervention packages combine two or more types of support; however, for clarity, the three main types referred to are discussed separately.

2.5.2. *Finance*

One of the major constraints for individuals wishing to set up a business, or to develop a business through the start-up and growth stages, is insufficiency of capital. Whilst many entrepreneurs rely initially on their own savings, or the assistance of family and friends (Cho and Honorati, 2014; Danish and Lawton Smith, 2012; Tlaiss, 2014) at some point it becomes necessary to obtain additional capital, by means of loans or equity financing.

Banks and other financial institutions potentially play an important role as suppliers of capital to early-stage entrepreneurs. However, according to the World Economic Forum (2011), only 20 per cent of SMEs in the MENA region have a line of credit, and only 10 per cent are funded by a bank loan. There are a number of reasons why entrepreneurs may face difficulty in obtaining finance from banks and the like. Investing in entrepreneurship raises two problems: the moral hazard problem, caused by the fact that the success of the business will depend to a large extent on the effort and talent of the entrepreneur; and the adverse selection problem caused by asymmetry of information about the likelihood of profitability (Amit et al., 1993). Additionally, since the value of an entrepreneurship lies more in the entrepreneurs' vision, rather than in material assets, entrepreneurs may have little to offer as collateral for a loan (Amit et al., 1993).

In many countries, access to capital is particularly difficult for women; such constraints are reported, for example, in India (Sengupta, 2011) and in the Middle Eastern context (Al-Sadi et al., 2011; Zeidan and Bahrami, 2011), forcing women entrepreneurs to confine themselves to traditional, small-scale, home-based activities (Tlaiss, 2014). Such constraints have been attributed to gender

stereotypes, leading financial institutions to view women unfavourably as clients (Hattab, 2011). If women are granted loans, it may be on unfavourable terms compared to men, such as at higher interest rates, with a requirement to provide higher collateral, or with a shorter repayment period (Ahmad and Muhammad Arif, 2015) and women often need a male guarantor (Hattab, 2011). The existence of such difficulties was confirmed by 17 out of 20 female entrepreneurs in the UAE, interviewed by Tlaiss (2014). The women had applied for bank loans but had either been rejected, due to their lack of a proven track record, or had been approved, but on such unfavourable terms that they were unable to accept the loans. These experiences were attributed to the spill-over from the social culture to organisational culture, and specifically to the high Power Distance (Hofstede, 2001) prevailing in the UAE, as in other Arab countries, which tends to legitimate gender inequality (Glick, 2006; Tlaiss and Kauser, 2010).

Cho and Honorati (2014) looking at the impact of various kinds of entrepreneurship support programmes in different categories of beneficiaries found that for women, the largest effects came from providing access to credit, supporting the suggestion that financing is a major constraint for women. An alternative to debt financing is financing entrepreneurs through equity in various forms, such as independent or corporate venture capitalists, angel investors, business accelerators and incubators and crowd funding (Abdulsaleh and Worthington, 2013). In many cases, such investment mechanisms include an element of mentorship and consultancy (Ramadani, 2012; Cohen and Hochberg, 2014); this advisory support is, according to Chemmanur and Fulghieri (2014) as important as the financial support provided.

However, these forms of finance, too, may be difficult for entrepreneurs to access. As Amit et al. (1993) point out, the same problems of moral hazard and adverse selection apply to venture capitalists, for example, as to banks. The role of external investors in entrepreneurship is, moreover, further complicated by competition among potential investors, and the varying degrees of consultancy and even hands-on involvement offered by such investors, which may influence their attractiveness to entrepreneurs (Amit et al., 1993).

In addition to the above sources of finance, two other types of arrangement are worthy of mention. One is a form of institutional support in the form of government grants or allowances, subject to eligibility criteria. An example, described by Watson et al. (1998) is a scheme set up by the UK government in 1988 whereby, subject to presentation of a business plan and cash-flow projection, a new entrepreneur could access an allowance of £50 per week for the first 18 months (later reduced to 1 year) of operation. At the other end of the scale is a more informal type of support, whereby, in some instances, members of a business community may cooperate to assist new members, particularly those belonging to the same ethnic, regional or social group. Smith et al. (2012) for example, report that in Detroit, Michigan, Arab American entrepreneurs often obtained seed capital in the form of interest-free or low-interest loans from established Arab-American business owners.

It can be seen from the above that sources and types of financial support for entrepreneurship may be many and varied. Moreover, different forms of financing appear to differ in their availability and attractiveness to entrepreneurs at different stages of their business project.

According to Cvijanovic et al. (2008) the major sources of finance for entrepreneurs differ according to the stage of the business lifecycle and the associated degree of perceived risk. In the experimental or seed stage, the business is financed by owners, with the support of family and friends. In the subsequent start-up stage, funding takes the form of equity financing from angel investors and venture capitalists. Gradually, as the business survives, grows and progresses, and the level of perceived risk declines, more sources of funding become available. Thus, a potential role of government, rather than providing direct financial support, is to encourage entrepreneurship by supporting companies and investors to provide finance to entrepreneurs (Eid, 2016).

2.5.3. *Education and training*

There are suggestions in the literature that some aspects of entrepreneurship can be taught (Madichie and Gbadamosi, 2017). Education and training have therefore

been suggested as major factors in the promotion of entrepreneurship (Coduras et al., 2008) and, hence, as a crucial contribution to economic growth and development (Madichie and Gbadamosi, 2017). According to Mwiya (2014), education systems potentially play an important role in developing people for new trends in work and employability. Given the importance of entrepreneurship, such preparation, Mitra (2011) suggests, can include developing soft skills such as creativity, initiative and flexibility. In particular, universities can play a role in the creation of a supportive atmosphere for entrepreneurship both directly, through running entrepreneurship courses, and indirectly through encouraging positive attitudes towards business creation.

Scholars distinguish a variety of approaches to entrepreneurship education, including enterprise education, education in entrepreneurship, education about entrepreneurship and education for entrepreneurship (Honig, 2004; Béchard and Grégoire, 2005; Blenker et al., 2011). Enterprise education, for example, refers to the development of enterprise values, attitudes and behaviours conducive to the practical application of creativity and innovation (Matlay and Mitra, 2002; Rae et al., 2012; Madichie and Gbadamosi, 2017). Such an approach is not related solely to business activity, but is an action-based learning approach within a variety of curriculum subjects, with the aim of developing skills such as creative problem-solving, strategic thinking and emotional intelligence, as well as behaviours such as opportunity seeking, networking, and using judgement to take calculated risks (Gibb, 2007).

Compared to enterprise education, entrepreneurship education has a more specific focus on the ability to create and grow a venture (QAA, 2012). Whereas enterprise education can be provided through any curriculum subjects, entrepreneurship education involves the provision of specific modules, courses or programmes (Williamson et al., 2013). Education in entrepreneurship is designed to provide new and established entrepreneurs with entrepreneurship and management training, with the aim of developing the skills needed to grow and develop a business (Blenker et al., 2011). Education about entrepreneurship is concerned with awareness creation by providing theoretical information about the nature of

business, the role of small business in the economy, and management of small business (Mwiya, 2014). Such courses may encourage students to consider an entrepreneurial career. Lastly, education for entrepreneurship is more focused on the development of practical competences, for example through projects, work placements and stimulation (Mwiya, 2014) and encourages participants to set up and run their own businesses.

Writing in the context of Malaysia (where, as in Saudi Arabia, government policy is to promote entrepreneurship) Zamberi Ahmad (2013) argues for the inclusion of entrepreneurship education, in various forms, throughout all school stages, rather than confining it to specific tertiary-stage programmes. He suggests that, as early as primary school, children can be encouraged, in various subject disciplines, to develop attributes and attitudes that will be conducive to entrepreneurship in later life, such as creativity, confidence, planning and hard work. In secondary school, this foundation can be followed with more intensive and specific entrepreneurship-related activities and projects and consideration given to identifying and supporting those potentially interested in entrepreneurship as a career. These early experiences will provide students with a basis for the development of more specific skills for entrepreneurship in the tertiary stage, and increase the likelihood that they will consider entrepreneurship after graduation.

Whilst the above forms of education may be provided through the regular education system, other agencies may also be involved in providing education and practical training to would-be or early-stage entrepreneurs. For example, in the UK, education and training formed part of the package of services provided by the TECs, mentioned previously - organisations that were set up and funded by the government with a specific focus on encouraging and supporting early-stage entrepreneurs with training in all aspects of running a business (Watson et al., 1998).

An important role in entrepreneurship education and training can also be played by community organisations, as demonstrated by Smith et al. (2012) in their study of Arab-American entrepreneurs in Detroit. Based on interviews and site visits, they

found that organisations such as the Arab Community Center for Economic and Social Services and the Arab American Chaldean Council supported new migrant entrepreneurs with classes in general and vocational English. The Arab American Chamber of Commerce formed classes on topics such as financing, marketing, sales, human resources, customer service and leadership.

Whilst various forms of educational and training support for entrepreneurship exist in many countries and have been claimed, potentially, to play an important role in encouraging entrepreneurial activity, empirical evidence of its outcomes, however, varies. Such differences can be linked to context, the nature of programme beneficiaries, and the specific outcomes investigated. Coduras et al. (2008), for example, investigated the relationship between university support for entrepreneurship and the level of entrepreneurial activity in Spain, using GEM data. They found a statistically significant association between universities' entrepreneurial support and students' entrepreneurial intention, although the influence of such support on total entrepreneurial activity was not significant. They suggested that this relatively weak impact may relate to the recent introduction of entrepreneurial education in Spanish universities.

Mwiya (2014) in the Zambian context, found that entrepreneurial education significantly mediates the role of individual and institutional factors on perceptions of the feasibility and desirability of starting, managing and growing a business.

In an investigation of the critical success factors for small business, from the perspective of South Pacific entrepreneurs, Yusuf (1995) found education and training to be ranked fifth among nine proposed factors. This factor was, however, rated more highly among entrepreneurs who had less formal education. In general, entrepreneurs in this group also had little family background or experience in business. Education, in such cases, would compensate for these disadvantages, enabling entrepreneurs to deal more effectively with business problems.

It is worth pointing out, however, that education and training are often provided as part of multi-faceted support packages, rather than as stand-alone initiatives, which

complicates the assessment of their impact. Cho and Honorati (2014) in their investigation of entrepreneurial support packages in a variety of contexts found that combined packages were generally more effective than interventions focusing on a single form of support.

2.5.4. *Counselling and consultancy*

Counselling and consulting refer to a variety of advisory services that can be offered to intending, new or established entrepreneurs, often in conjunction with other forms of support such as finance. Providers may include government agencies, NGOs, private sector organisations and community organisations.

An example of government funded advisory services is the establishment by the UK government, in 1988, of Training and Enterprise Councils (TECs), which were set up with the intention "to foster economic growth and contribute in the regeneration of the community by strengthening the skill base and assisting local enterprise to expand and complete effectively" (Watson et al., 1998: 220). The Councils provided the package of support services to new and existing small businesses, including initial services offering advice to potential entrepreneurs, help in preparing business plans, and a comprehensive information and counselling service on business start-up, survival and growth. The TECs offered ongoing support and advice throughout the first year of new business operations.

Other important sources of advisory services for entrepreneurs are business incubators and accelerators. The purpose of business incubators is to provide new businesses with office space, utilities and various management services (Eid, 2016). Whilst such incubators differ in terms of structure and degree of government involvement (Chandra and Fealey, 2009) they commonly offer support services, access to market networks, and coaching of entrepreneurs (Bergek and Norrman, 2008), as well as a variety of business-related knowledge and skills (Bruton et al., 2008). Such is the importance of these services, that businesses supported by incubators reportedly have better survival rates and greater success than those not benefiting from such support (Aaboen, 2009).

Although incubators are claimed to have an important role in supporting entrepreneurs, their actual success and value are difficult to evaluate for several reasons: the variation in the levels and quality of services they provide, the fact that they are mostly non-profit organisations (Tamasy, 2007), and the tendency to over-report success in order to attract and retain public funding (Phan et al., 2005).

The business accelerator is a variant or special form of incubator, providing a similar range of services; however, the difference is that accelerators are mainly for-profit enterprises, funded by angel investors and venture capitalists, whose aim is, when the entrepreneurial business reaches the growth stage, to sell their shares for profit (Miller and Bound, 2011). To this end, the accelerator may provide more hands-on involvement than the incubator.

Smith et al. (2012) also note the role of community and business organisations in providing advisory services. In Detroit, Michigan, they found that organisations providing services to Arab-American immigrant entrepreneurs provided assistance in completing applications and tax forms, and informal information (as distinct from formal classes) on various aspects of forming and managing a business.

As the above discussion has shown, prospective or early-stage entrepreneurs may be able to access a variety of forms of support for their new ventures: financial, educational, and advisory. These may be provided by governments, NGOs, and private companies, or community organisations, with various roles and agencies. In this study, it will be of interest to gain insight into the types of support available to Saudi entrepreneurs, whether entrepreneurs are aware of these resources and have used them, factors that affect their access to and eligibility for support, and the perceived value of any support received, in terms of impact on business performance.

2.6. The research context

This study addresses the nature of the institutional support available to early-stage entrepreneurs, and their role in the context of Saudi Arabia. This section introduces

the research context in two main aspects: geography and population, and economy of Saudi Arabia.

2.6.1. Geography and population

Saudi Arabia is a country in South-west Asia, occupying about 2.15 million square kilometres, or 80 per cent of the land area of the Arabian Peninsula (Central Department of Statistics and Information, 2013). It is bordered by Oman and Yemen to the south; the Red Sea to the west; Iraq, Kuwait and Jordan to the north, and the United Arab Emirates, the Arabian Gulf and Qatar to the east (see figures 2.4 and 2.5).

Figure 2.4: Map of Saudi Arabia and surrounding countries (Source: World Atlas, 2017)

Figure 2.5: Saudi Arabia on the world map (Source: World Atlas, 2017)

The country's five provinces (North, South, East, West and Central) contain varied topography, including mountains and desert areas, which pose challenges for infrastructure provision; in a recent study, Albuhairi (2015) reported that some of the rural locations he visited had only been provided with paved roads and electricity in the last few years, and still did not have Internet services.

The country population as of 2016 is 32.275 million (World Bank, 2018). About half the population are in the 15 to 24 years age group (Ministry of Economy and Planning, 2010). The rate of population increase (3.2 %) is one of the world's highest (Jasimuddin, 2001). Such increase, together with urbanization, have created a growing market for goods and services, and a growing need for business premises and infrastructure (see figure 2.6).

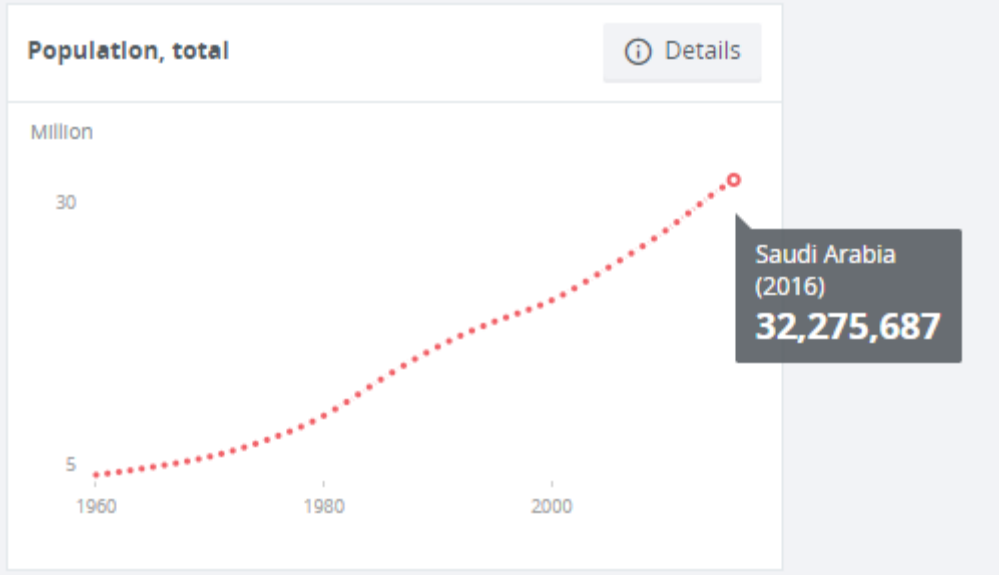

Figure 2.6: Population of Saudi Arabia (Source: World Bank, 2018)

2.6.2. Economy

Saudi Arabia has been a business hub, a centre of trade and an important business route between Europe, the Mediterranean and Africa, since before Islamic times (Rahatullah Khan, 2016). It is a member of The Group of Twenty (G20) (The Group of Twenty, 2018), a leading member of the Gulf Cooperation Council (GCC), the largest economy in the Arab world as it counts for 25% of the Arab world's GDP (Department of International Trade, 2016) and a major oil exporting country, with 22 % of the world's oil reserves (Organisation of the Petroleum Exporting Countries OPEC, 2014). The importance of oil is reflected in its trends in the Kingdom's Gross Domestic Product (GDP). "Gross domestic product is the most commonly used single measure of a country's overall economic activity. It represents the total value at constant prices of final goods and services produced within a country during a specified time period, such as one year." (World Economic Outlook, 2017). Oil has, since the 1970s, been the mainstay of the country's economy and the source of funds for a series of 5-year socio-economic development plans (Ministry of Commerce and Industry –MOCI, 2015). Oil wealth has contributed to a GDP of $746.2 billion (World Bank, 2015) accounting for as much as 80% of the budget revenues, 45% of the GDP, and 90% of export earnings (Department of International Trade, 2016). However, given oil price fluctuations and the danger of

relying on a single, non-sustainable resource, the government has sought in recent years to diversify the economy, investing heavily in the establishment of a number of large economic cities (Saudi Arabian General Investment Agency – SAGIA, 2015) and shifting from a public-sector driven economy to one in which the private sector becomes the engine for growth (Jasimuddin, 2001). According to Rahatullah Khan (2016) the current composition of the economy is 2.1% agriculture, 67.6% industry and 20.4% services.

In Saudi Arabia, as an emerging market economy, the history of the annual percentage change in real GDP between 1999 and 2016 is shown in data published by the International Monetary Fund - IMF (2017). Figure 2.7 and Table 2.1 show the history of the changes in this indicator. Apart from a decrease in 2009, the figure and table show increases in GDP throughout the period, although of varying magnitude. After a peak of 10.3% increase in 2011, increases have been much smaller, especially in more recent years. It was projected that, although non-oil growth was expected to strengthen somewhat in 2017, overall output would be almost static as real GDP would decline as a result of Saudi Arabia's commitments under the extended Organisation of the Petroleum Exporting Countries (OPEC) agreement. In 2018, growth was projected to increase to 1.1 per cent, reflecting an increase in oil output associated with the expiration of the OPEC agreement (World Economic Outlook, 2017).

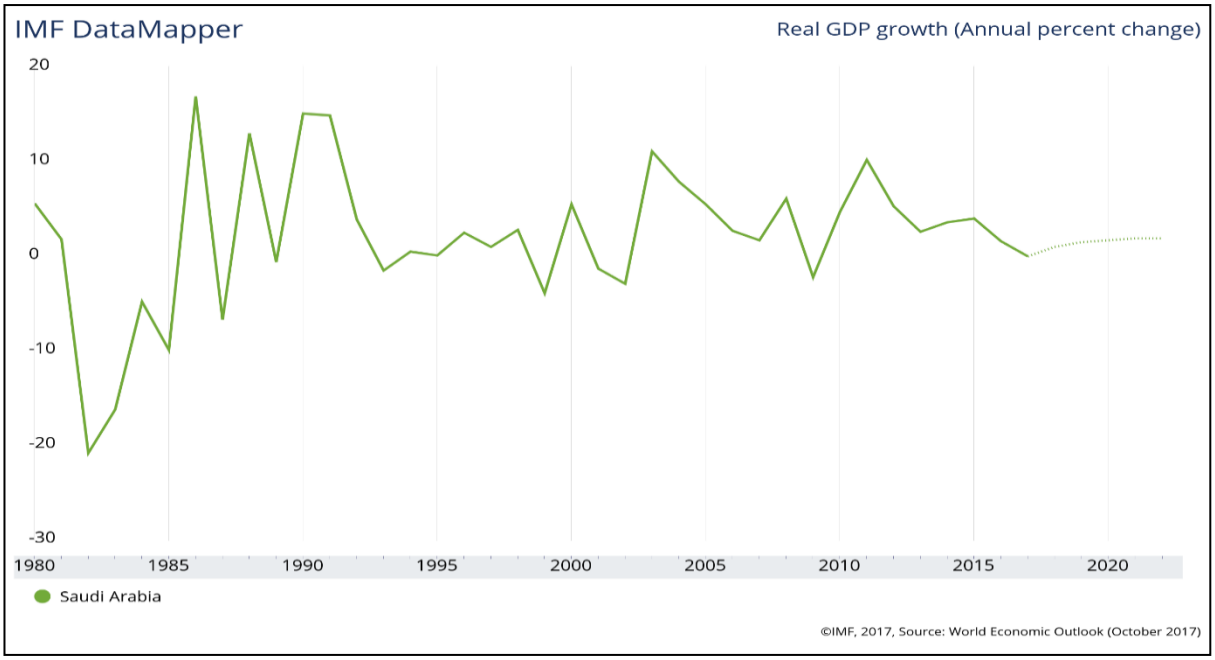

Figure 2.7*:* History of the real and projected changes in GDP of Saudi Arabia (Source: International Monetary Fund, 2017)

To take a closer look, the next two tables show views of real and projected changes and current prices in the Saudi GDP.

Year	Average	2009	2010	2011	2012	2013	2014	2015	2016	Projections		
	1999-2008									2017	2018	2022
GDP	3.2	-2.1	4.8	10.3	5.4	2.7	3.7	4.1	1.7	0.1	1.1	2.0

Table 2.1: History of the real and projected changes in GDP of Saudi Arabia (Source: International Monetary Fund, 2017)

The table below shows the history of the GDP, at current prices (billions of U.S. dollars) of Saudi Arabia.

Year	2013	2014	2015	2016	2017	2018	Projections			
							2019	2020	2021	2022
GDP	746.647	756.35	654.27	646.438	678.541	708.487	733.144	760.99	793.333	813.745

Table 2.2: History of the GDP, current prices (Billions of U.S. dollars) of Saudi Arabia (Source: International Monetary Fund, 2017)

Comparing the two tables, it is interesting to note that, although Table 2.1 showed almost continuous increases in GDP over the period, Table 2.2 reveals that at current prices, the percentage increases of 2015 and 2016 nevertheless translated into a decline in actual GDP in these years. Moreover, the current price GDP is not expected to return to its 2013 level until 2020. These figures, reflecting the fluctuations in oil prices, which have been only to a limited extent offset by growth in non-oil sectors, may provide some explanation of the Saudi government's recent interest in encouraging entrepreneurship.

The graph below gives a holistic view of Saudi Arabia’s GDPs from 1968 to 2016 (World Bank, 2018).

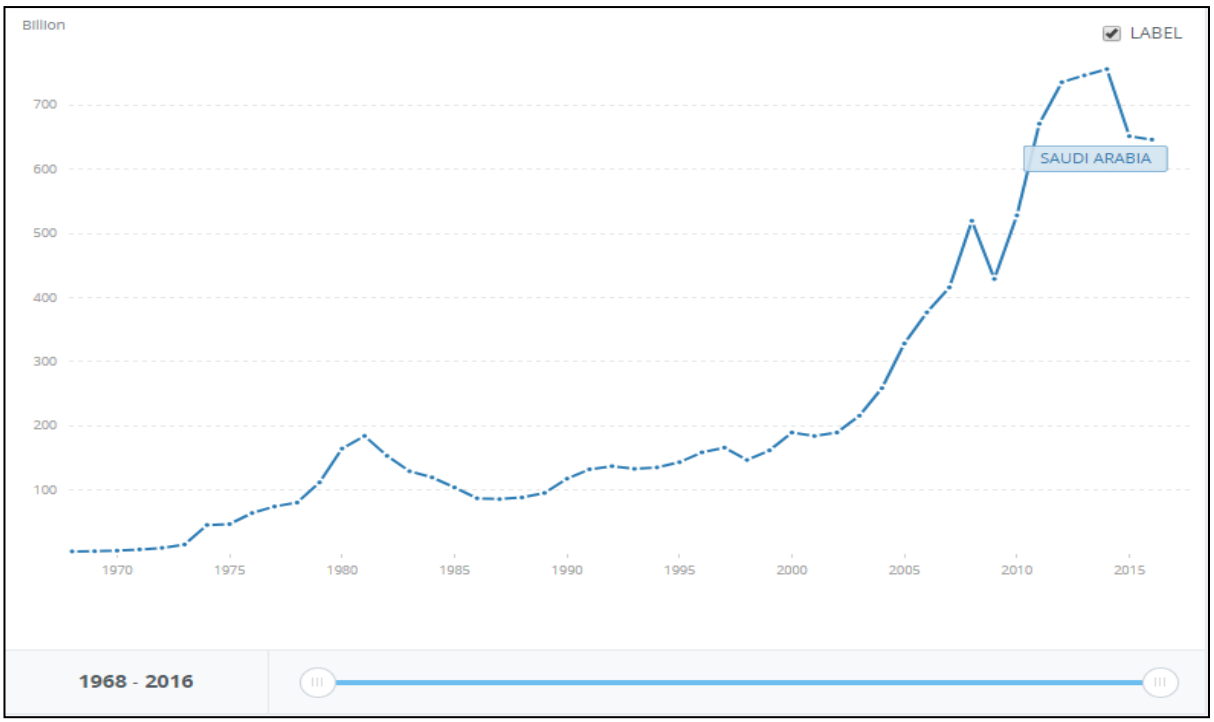

Figure 2.8: View of Saudi Arabia's GDP from 1968 to 2016 (Source: World Bank, 2018)

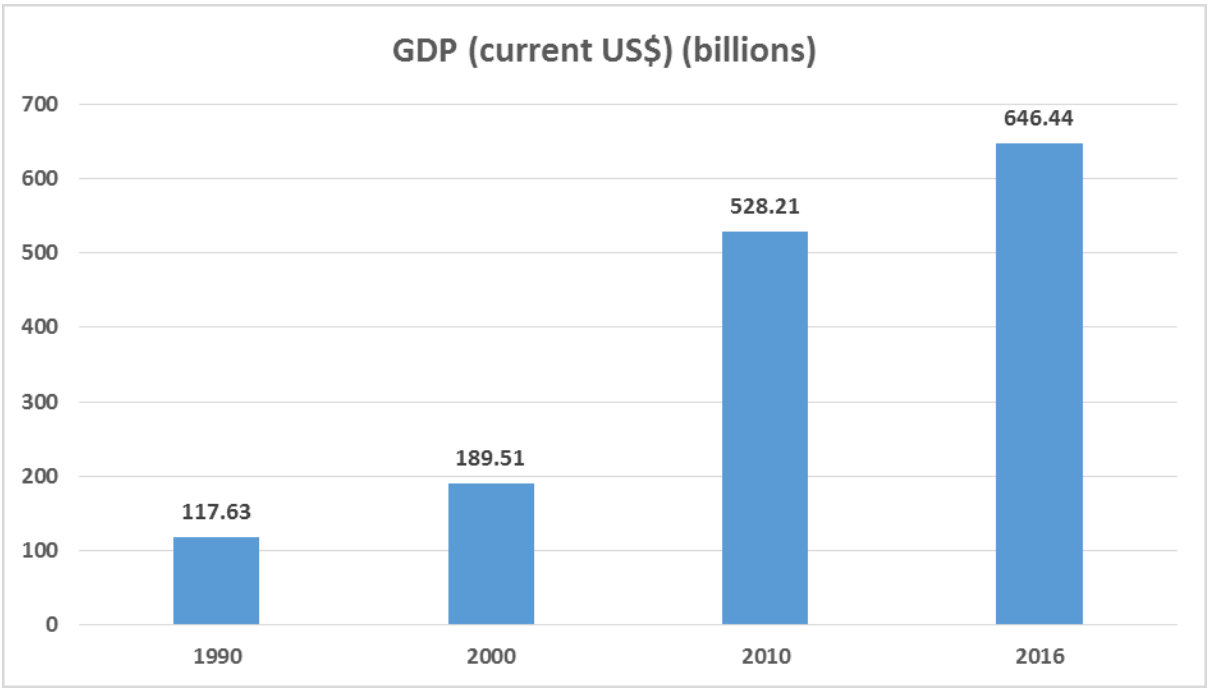

Figure 2.9: History of GDPs of Saudi Arabia – every ten years since 1990 (Source: World Bank (2018)

The chart above shows the history of the GDP, for every ten years, in billions of US dollars. This data indicates that the GDP of Saudi Arabia has significantly increased

throughout the years since 1990 until 2016. However, the next chart shows the growth rate of the country's GDP (World Bank, 2018).

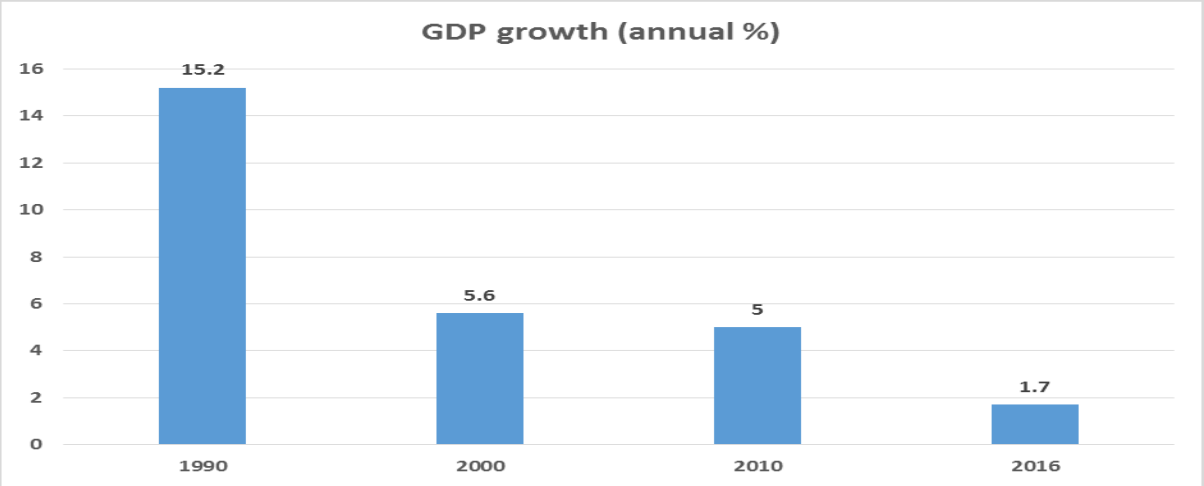

Figure 2.10: History of GDPs growth of Saudi Arabia – every ten years since 1990 (Source: World Bank, 2018)

Unlike the previous one, the above chart shows the history of annual percentage of GDP growth, indicating the significant decline in Saudi Arabian GDP growth through the years since 1990 (World Bank, 2018).

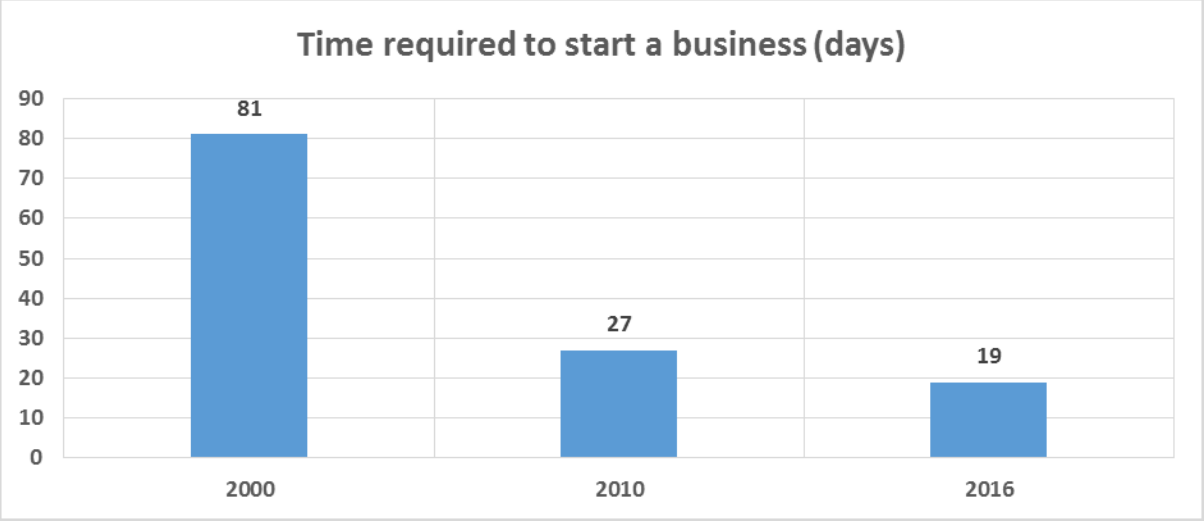

Figure 2.11: Time required to start a business in Saudi Arabia – since 2000 (Source: World Bank, 2018)

There is a lot of support provided to entrepreneurs, and World Bank data indicates, as shown in the above chart, that the time to start a new business has been reduced significantly from 81 days in year 2000 to 19 days in year 2016. With this in

mind, it can be projected that the year 2020 will see the number of days to start a new business further reduced to 14 days (World Bank, 2018).

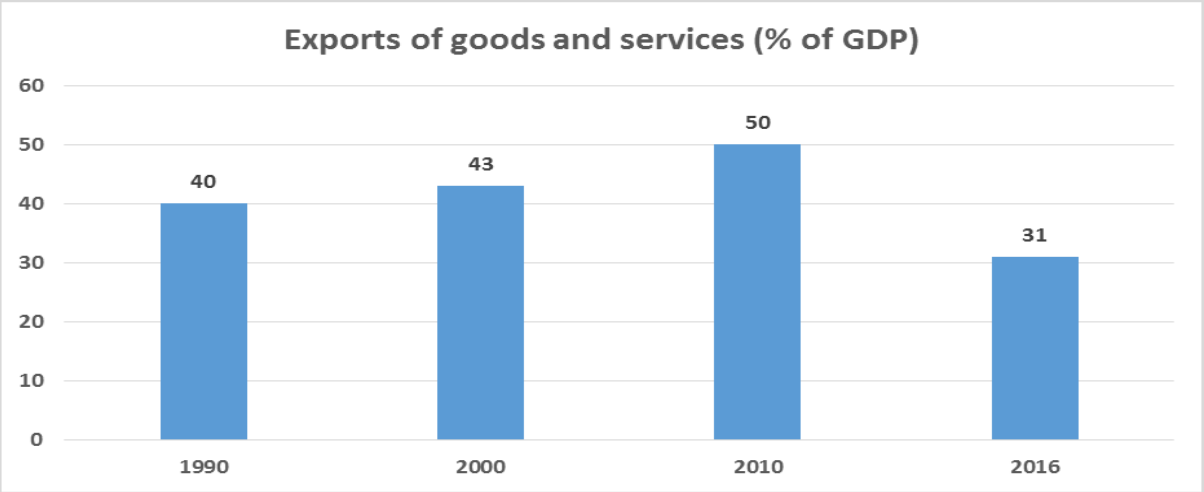

Figure 2.12: History of the exports of goods and services of Saudi Arabia – every ten years since 1990 (Source: World Bank, 2018)

The chart above shows the history of the exports of goods and services of Saudi Arabia from 1990 until 2016. As it can be seen from this chart, exports of goods and services were increasing during since 1990. However, a decrease by almost 20% of the country's GDP took place from 2010 until 2016 (World Bank, 2018).

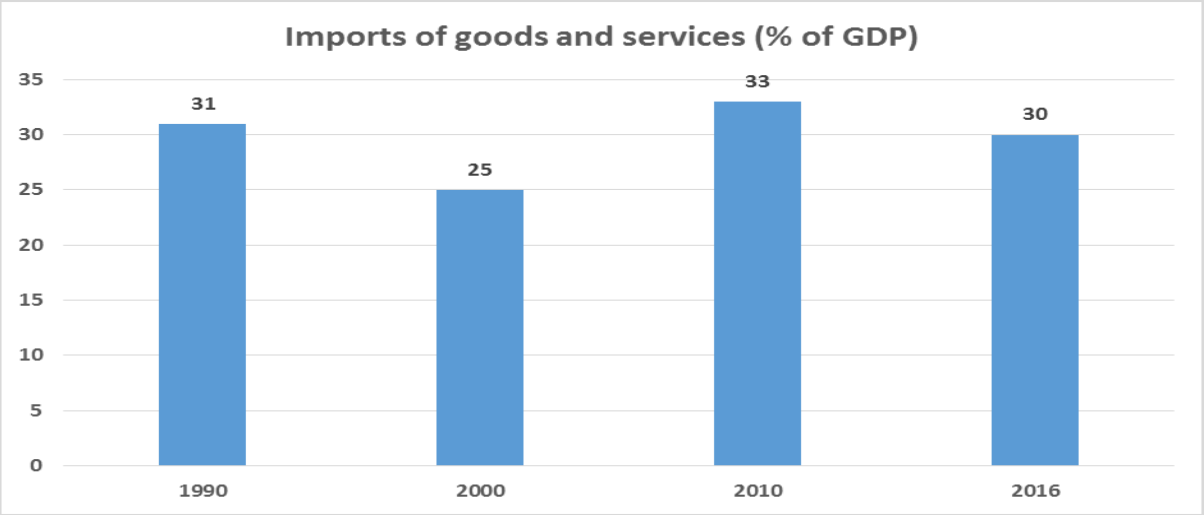

Figure 2.13: History of the imports of goods and services of Saudi Arabia – every ten years since 1990 (Source: World Bank, 2018)

The chart above shows the history of the imports of goods and services of Saudi Arabia from 1990 until 2016. As it can be seen from this chart, imports of goods and

services fluctuated throughout the period from 1990 until 2016, accounting for between 25 and 33% of the country's GDP (World Bank, 2018).

2.7. Research framework

Figure 2.14 illustrates the research framework:

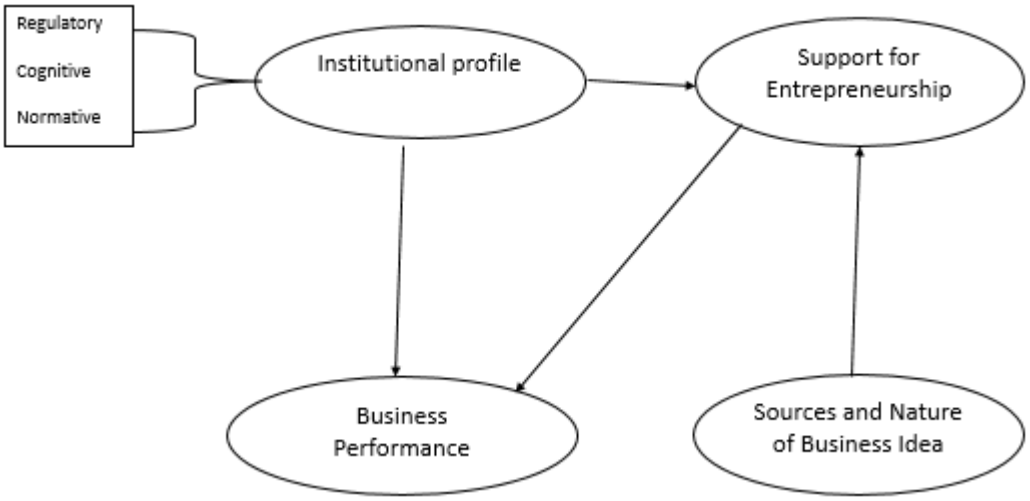

Figure 2.14: Research framework (Source: Author)

The first aspect explored, addressing the first research objective and question, is the source and nature of the business idea. The key concern here is to identify to what extent the responding entrepreneurs are motivated by opportunity or necessity, as defined in section 2.2.2. on typologies of entrepreneurship. The rationale for doing so is the assumption that opportunity entrepreneurs may have more need for institutional support, since they incur risk by pursuing innovation (GEM, 2014), and may also be more readily granted formal support, since such entrepreneurship is expected to have higher potential for contributing to economic development (Acs, 2006; Szabo and Herman, 2014).

The research then examines the forms of support for early-stage entrepreneurs in Saudi Arabia, which are assumed, following institutional theory, to be related to the institutional profile of the country. It has been suggested in section 2.4.5. that the regulatory, cognitive and normative dimensions of the national institutional profile may, or may not, provide supportive conditions for entrepreneurship, for example, property rights (Boettke and Coyne, 2003), availability and safety of

finance options (Estrin and Mickiewicz, 2010), as well as informal factors such as prevailing social norms and beliefs (Stephan et al., 2015).

In section 2.5. on entrepreneurship support, four major types of formal support were identified: government policy (Minniti, 2008; Topimin 2015); finance (World Economic Forum, 2011; Cho and Honorati, 2014), education and training (Coduras et al., 2008; Blenker et al., 2011), and counselling and consultancy (Watson et al., 1998). Such factors are also included among the Entrepreneurship Framework Conditions in the GEM (Acs et al., 2005: 14) model. Although the Saudi government has initiated policies and programmes to provide such support, the extent to which these are known, favourably perceived and used by Saudi entrepreneurs remains unclear. Eliciting entrepreneurs' responses on these points addresses the second objective and question of the study.

The expected relationship between opportunity entrepreneurship and the provision of formal institutional support is shown by the arrow linking the business idea to support for entrepreneurship in the diagram, and investigating this relationship addresses the third research objective and question.

The fourth research objective and question concern the possible impact of support for entrepreneurship on the performance of the business. As indicated in section 2.4.5., scholars have proposed a variety of ways in which institutional support may assist entrepreneurial ventures, for example, directly by reducing transaction costs (Johnson et al., 2002; Peng and Zhou, 2005) and the opportunity to make profit (Estrin and Mickiewicz, 2010), and indirectly by developing entrepreneurs' skills (Gibb, 2007) and, hence, ability to grow a venture (QAA, 2012). The provision of formal support for entrepreneurs is predicated on the economic rationale that support for new businesses in a period of vulnerability (Watson et al., 1998) from governments and other institutions is an investment in their business performance and, hence, national economic growth (Acs and Virgill, 2009; Carlsson et al., 2013). GEM (2014) assumes that entrepreneurial framework conditions promote entrepreneurship business by providing entrepreneurial opportunities and enhancing entrepreneurial capacity. It is assumed in this study that perceived

impact on business performance would influence entrepreneurs' perceptions of the value of any support available, and their inclination to use it. Moreover, it may have implications for policy makers and support providers, in informing future decisions on the continued provision of support.

Lastly, the study investigates the challenges facing support providers and entrepreneurs in making available and accessing support, addressing objective and research question 5. Such information will be of interest to support providers and policy makers, in providing insights into factors affecting the availability perceived value and effectiveness of different forms of institutional support. Such insights will eventually inform recommendations and implications as to how to address the identified challenges in order to enhance the role of institutional support for early-stage entrepreneurs in the Saudi context, thereby addressing the sixth objective and question of this study.

3. CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

Following from the background set out in Chapter One, and the literature review in Chapter Two, this chapter explains how the identified research questions were addressed empirically. The chapter consists of three main parts. The first explains the philosophical considerations that led to the choice of research design; the second considers the choice of specific strategies and methods, and preparation of the research instruments. In the third part, the implementation procedures are explained. Issues of research quality and ethical considerations are also discussed.

3.2. Research paradigms

Discussion and choice of research methods should begin with consideration of philosophical issues, because research practice is influenced by the researcher's intellectual assumptions (Bryman, 2015).

The assumptions and beliefs that underlie research theories are clustered into a number of paradigms – basic sets of principles about the nature of the world and of knowledge (Guba and Lincoln, 1994). Punch (2000) defines paradigms as sets of beliefs about how to view the world, while Denzin and Lincoln (2005) point out that these principles guide the researcher's action. Thus, the chosen research paradigm provides a framework that guides the process of research (Collis and Hussey, 2013). It is important to understand and make explicit the research philosophy, because research paradigms have implications for research design and methods, and the way in which the research quality can be evaluated (Ponterotto, 2005; Sandberg, 2005; Gray and Malins, 2016).

Research paradigms are distinguished by the different positions that they adopt in relation to the nature of the social world (ontology), the nature of knowledge (epistemology), the role of values in research (axiology), the authorial voice and the appropriateness of various research methods. In this section, the issues underlying the different research paradigms will be outlined, and then the stance adopted in this research will be explained and justified.

3.2.1. Ontology

Ontology has been described as the starting-point of social research (Grix, 2010). In simple terms, it concerns how we view the existence of entities in the social world. A broad distinction is made between the objectivist position, which assumes the existence of an objective external reality, independent of and uninfluenced by the observer (Mack, 2010; Bryman, 2015), and the subjectivist or constructivist position, which assumes that humans actively construct "reality" through their perceptions, experiences and interactions (Guba and Lincoln, 1994). Positivism, for example, takes the former view; it assumes a single reality that can be observed, defined, measured and predicted (Mack, 2010). This view is modified somewhat by post-positivism, which assumes a single reality but accepts that because of the limitations of human cognition and the complexity of the world, it is difficult to capture reality completely. In contrast, a subjectivist view is held by interpretivists (sometimes called constructivists), who envisage the possibility of multiple "realities", depending on social context and individuals' experiences and understanding.

3.2.2. Epistemology

Epistemology is concerned with how it is possible to gain valid knowledge of reality (Crotty, 1998; Bryman, 2015; Bryman and Bell, 2015). As Crotty (1998) explains, it addresses questions such as what type of knowledge it is possible to obtain in the field of inquiry, and why the knowledge claimed and presented in a thesis should be given credence by readers. Positivism and post-positivism assume that knowledge takes the form of firm and settled truths, and separation is possible between researcher and research (although post-positivism accepts that there may be some degree of influence between them) (Ponterotto, 2005). Such a view tends to be associated with a deductive logic that moves from theory and hypotheses to data collection by standardised, structured methods, in order to test theory and develop generalisations (Ponterotto, 2005; Grix, 2010). Alternatively, interpretivism views knowledge as arising out of personal experience in particular situations (Mack, 2010). It is a product of social processes, and so can best be gained by entering into the world of participants to explore the meaning they give to their experience

(Cohen et al., 2013). The process of knowledge formation tends to follow an inductive logic, beginning with a collection of data and moving towards development of theory. Writers often align this stance with qualitative research methods, focusing on how people's subjective interpretations of their experiences are reflected in their words and behaviour (Silverman, 2000; Creswell, 2009).

While many methodology writers assume a clear association between ontology, epistemology and research methods, others, however, view this as an over-simplification, and reject the divisions introduced above. Hammersley (2013), for example, argues that both qualitative and quantitative strategies are concerned with both behaviour and meaning, and can be employed under different philosophical assumptions, while Bryman (2015) cites examples of studies broadly conducted from one position that may nevertheless contain elements of others.

As a way to deal with these complexities, a number of authors assume an alternative position, called pragmatism, which holds that

> "Truth is what works at the time. It is not based on a duality between reality independent of the mind and or within the mind… pragmatist researchers look to what and how to research based on the intended consequences…pragmatists have believed in an external world, independent of the mind as well as that lodged in the mind" (Creswell, 2009: 11).

The next section explains and justifies the choice of a pragmatist stance in this research.

3.2.3. The position of this research

As a starting-point for considering the philosophical perspective of the study, and the way it is reflected in the choice of research design, it would be worth first recalling the research aim and objectives. The study aims to explore the forms of formal institutional support available to entrepreneurs, the impact of such support on business start-ups, and the main factors that influence the institutional environment for entrepreneurship support.

The first issue to consider in deciding on the stance for this study is ontology, which has been identified by Grix (2010) as the basis of social research. The nature of the research questions, however, does not suggest a clear alignment with a single view of the nature of the reality being investigated, that is, the institutional support available to entrepreneurs in Saudi Arabia, the factors influencing the support environment, and the most appropriate support framework for the Saudi economy. On the one hand, it can be argued that some of the information related to this research is objective in nature – for example, it is possible to obtain objective, verifiable information on the existence of entrepreneurship-related institutions, the number of grants awarded, and so forth. On the other, the experience of entrepreneurs in seeking and applying for support, negotiating eligibility criteria and official procedures, and the perceived usefulness of the support to the business will be varying and subjective. Moreover, as shown in the literature review, definitions and explanations of entrepreneurship differ; it is not an objectively-defined concept, and it is possible that aspects of the Saudi socio-cultural context would influence the ways in which entrepreneurship is viewed and practised, as well as associated institutional policies and practices. In this sense, it seems that the social phenomenon investigated in this research has both objective and subjective dimensions that defy a simple choice between one position and strategy or the other. This is a situation where pragmatism offers a solution.

In contrast to those who view philosophical paradigms as incompatible and competing, pragmatists argue that it is possible to work within both the positivist and interpretive philosophies and the key to deciding on a philosophical stance or a research method lies in the research question (Saunders et al., 2009b). Certain approaches lend themselves to particular kinds of question, and it is possible and often desirable to combine approaches. Tashakkori and Teddlie (1998) bypass the debate on the relative merits of subjectivist and objectivist approaches, arguing that philosophical standpoints are best viewed as a continuum, rather than polar opposites, and different aspects of an inquiry may be best approached from different points on the continuum. Thus, at some points, it may be more appropriate for the researcher to maintain an objective distance from the subject of

the investigation, whereas other types of knowledge may best be facilitated by a more interactive relationship between researcher and researched. What is important is to follow an approach that is practical, and yields useful and meaningful results within the frame of the research context and purpose, and the researcher's whole value system. Such a stance suits the nature of this research, which is intended not only to provide an objective description of patterns of behaviour, but also to explore a range of experiences and the factors that may influence them.

Leading from this ontological position, the implication is that, while the availability and patterns of use of different forms of support can be measured and observed objectively, the rationale underlying policies and practices, and the experience of applying these forms of support can best be understood from the perspectives of the individuals directly involved, as recipients or providers.

3.2.4. Implications for research design

As noted above, several authors reject a simplistic alignment between research logics and methods, and accept the possibility that research may combine deductive and inductive logics. This is the approach taken in this study. There is already an existing body of literature on the nature of entrepreneurship, ways of supporting entrepreneurship, and developed and developing-country entrepreneurship environments. Such literature helped in identifying the research issues, and was a source of guidance in the data collection (for example, the design of the research instruments, discussed later in section 3.3.1.2.) and interpretation. The research, in the light of this literature, is grounded on the assumption that there are particular kinds of institutional support that are needed by and useful to entrepreneurs, and an assumption that these may not be available or functioning effectively in the Saudi context. There is also a focus on investigating relationships between variables, kinds of projects, kinds of support, and influencing factors that shape the environment of institutional support. Up to this point, therefore, the research follows a deductive logic.

Nevertheless, the aim is to move beyond the existing literature and explore the applicability of international ideas about entrepreneurship in a distinctive and under-researched context, Saudi Arabia, by exploring entrepreneurs' and institutional supporters' opinions, perspectives and behaviours, with the hope of developing new insights that fit the Saudi context, by an inductive process.

In other words, the research starts with general inference about entrepreneurial support as discussed in the literature, leading to the development of a conceptual framework about the role of institutional supports, which is tested using deductive reasoning. The findings are then further explained using inductive reasoning, leading to new general inferences about the role and influences of institutional support in the context of Saudi Arabia.

The above concerns in turn had impacts on the choice of research design and methods. On the one hand, certain aspects of the research aims are objective in nature. Capturing a range of experiences from entrepreneurs with different kinds of business, who may be aware of or using different kinds of support from a variety of sources, required comparative data from a large sample, which could best be obtained via a quantitative design. On the other hand, the exploratory aims of the study, implying a subjectivist ontology and a constructivist epistemology, could best be achieved by a qualitative approach involving interaction between the researcher and participants, in order to explore how participants' beliefs and experiences impact on behaviour (Guba and Lincoln, 1994).

For these reasons, and consistent with Bryman's (2015) discussion of rationales for combining research methods in a flexible way, a two-phase, mixed methods design was adopted. In terms of Creswell's (2013b) classification, the design is a fixed, convergent, sequential, exploratory design. It is fixed because the mixed method design was planned in advance, rather than a response to events arising in the course of the study. The design is convergent because it involves methods designed to obtain different, complementary data on the same topic (Morse, 2003). The two data collection strategies were applied successively (sequential design). Consistent with Creswell's (2013b) classification of mixed methods designs according to the research purposes, this explanatory study began with a quantitative stage. The

outcomes from this stage then informed the design of the following qualitative phase. Thus, the sequence is shown in Figure 3.1 below:

QUANTITATIVE ------>	QUANTITATIVE ------>	qualitative ------>	qualitative ------>	interpretation of whole
data collection	analysis	data collection	analysis	

Table 3.1: Sequence of this explanatory study (Source: Author)

The purpose of the quantitative phase was to obtain a general picture of how Saudi entrepreneurs accessed and used institutional supports in setting up and growing their businesses. By surveying a large sample, it was possible to find out how many entrepreneurs had used the various supports investigated and the relationship between the supports received and the features of the entrepreneurs' projects. The second, qualitative phase involved a smaller sample, comprising entrepreneurs and providers of support services, and followed up issues identified from the first phase results, in order to understand them more deeply. In this way, the mixed methods design corresponds to five of the reasons given by Bryman (2015) for using mixed methods.

- To increase validity through triangulation
- Comprehensiveness: the quantitative phase enabled inclusion of the largest possible number, broadest range and widest geographic coverage of Saudi entrepreneurs.
- Accounting for both structure and process: the quantitative phase provides information on the structure of institutional support, including numbers and locations of providers and recipients, the sums involved and the like. The qualitative phase provides information on how the system works in practice.
- Facilitating sampling: the outcomes of the first phase help in identifying issues to address in the second phase and, hence, the selection of appropriate individuals to approach for the second phase.

- Testing and generating theory within the same research. As explained above, the research tests the assumptions, based on the literature, about the nature, prevalence and roles of institutional systems, and also leads to generation of new theory about these aspects, specific to the Saudi context.

Moreover, the research answers calls/invitations made by previous researchers (Alessa, 2013; AlSaleh, 2016; Naushad et al., 2018) for qualitative or mixed method studies on entrepreneurship, especially within the context of Saudi Arabia, where research has been predominantly quantitative.

3.3. Data collection strategies and methods

Research data can be divided into two types: primary and secondary. Whilst primary data is collected by the researcher, specifically for his or her study, secondary data is data that was originally collected by another individual or organisation, for some other purpose (Parikh, 2002). In this study, both types of data were used. In the following sub-sections, the data collection methods used and the rationale for them are explained.

3.3.1. Use of secondary data: rationale, advantages and limitations and search strategy

The vast amount of data currently collected by researchers worldwide makes the use of secondary data for research purposes and increasingly feasible strategy (Johnston, 2014). For collecting secondary data, annual reports, documents and reports made publicly available by government institutions such as the Saudi Ministry of Commerce, Chamber of Commerce and General Authority for Statistics were reviewed. Also, publicly available data provided by global organisations such as the World Bank Group – Doing Business, World Economic Forum, World Economic Outlook and Global Entrepreneurship Monitor were consulted.

An advantage of collecting, using and analysing secondary data is the high quality and larger dataset, which may support the primary data for this study. Other advantages of secondary data are large samples with substantial breadth, cost effectiveness and convenience (Johnston, 2014). Secondary data can also contribute to the validity and reliability of the study in various ways. For example, in

the case of official statistics, data may be based on a whole population, rather than a sample, providing a more complete picture of a situation (Bryman and Bell, 2015). They also help to provide an indicator of the generalisability of the primary findings by enabling an assessment of the extent to which survey data, for example, are representative of the relevant national population (in this case, early-stage entrepreneurs) (Saunders et al., 2009a). Compared to primary data, such as that collected by questionnaires or interviews, official statistics are less likely to suffer from problems of reactivity, because those who collected the data were not involved in the research project and not influenced by perceptions of the project, or interaction with the researcher (Bryman and Bell, 2015). Moreover, as such data exist in permanent and accessible form, they can easily be checked, contributing to transparency and verifiability (Saunders et al, 2009a).

Other advantages of using secondary data pertain to the possibility of adding further dimensions to the analysis, such as a longitudinal element, allowing identification of trends over time, as well as the possibility of cross national comparisons (Bryman and Bell, 2015). In this study, for example, the use of GEM and World Bank data enabled an insight into trends in Saudi Arabia's Entrepreneurship Framework Conditions since 2010 (when the kingdom had participated in a GEM survey) as well as setting Saudi Arabia in context through regional and global comparisons.

However, a limitation of collecting and analysing secondary data could be time consumption as some data does not meet the purpose of the research (Johnston, 2014) making it challenging to obtain data that serves the aim and objectives for this study. For example, the data may not be current, not cover the geographical region of interest, or use definitions of variables and population categories that do not correspond with the research requirements (Saunders et al., 2009). These concerns did not apply in this research, however, since the main sources used, such as GEM and the World Bank had up-to-date reports available, both for the MENA region and for Saudi Arabia specifically. Moreover, this study has adopted the GEM definition of early-stage entrepreneurs (see Chapter Two), so there is no inconsistency in this respect.

Secondary data can also raise questions of data quality, since the secondary researcher, not having been involved in the original data collection, may not know how it was collected and whether it may have been affected by non-response bias or misunderstandings (Johnston, 2014). Official statistics, for example, may be limited by reporting and recording deficiencies (Bryman and Bell, 2015). This means that it is important, when using secondary data, to evaluate its suitability by considering, for example, the credibility of the sources, their clarity as to the methods used to collect and compile the data, and to be critically aware of any limitations, such as those raised in relation to GEM data in Chapter Two.

Despite these limitations (which were alleviated by the fact that secondary data were only one of three sources of data triangulated in this study), the use of official national and international statistics contributed to this study in a number of ways. They provide comparative data to complement the primary data and relate them to the national, regional and global context. The documents reviewed helped in establishing the background of the Saudi entrepreneurial and institutional context, interpreting the primary data, and generating ideas for issues to pursue further in collection of qualitative data in the second phase of the study.

The search strategy for secondary data followed a number of steps. The first step was classifying the main themes for this research, and based on survey findings, targeted data were identified. The second step was identifying the secondary data. The third was evaluating the data in order to make a decision whether to use it. This was done by looking at the aim of the original study that the data was collected for, who collected the data, which measures were employed, when the data was collected, what methodology was used to collect the data, and then making the final evaluation. The fourth step was to prepare and analyse the secondary data. Moreover, in some cases, the researcher combined two secondary data sets in order to address an issue or to answer a question.

3.3.2. Primary data - Phase one: The quantitative data

For the quantitative part of this research, the survey strategy was used as a data collection resource. According to Forza (2002), survey research refers to research

methods that primarily involve the collection of data from a number of participants who represent an entire population. Similarly, Fowler (2014) explains the concept of survey as a data collection strategy that aims to gather answers to questions posed in order to answer the research questions. There are several forms of survey that are available to researchers to choose from and a questionnaire was chosen to be used for this research as a specific instrument. Williams (2007) defines this strategy as the use of questionnaires distributed to selected respondents for self-completion.

3.3.2.1. The questionnaire

Bryman (2008) defined a questionnaire as an investigation tool for collecting information using pencil and paper by directing pre-determined questions to the target participants. Thomas (2003) and Creswell (2012) suggest that a questionnaire enables participants to express their individual opinions and beliefs, while a survey can trace how trends differ across individuals. In addition, a questionnaire strategy can help researchers to separate the statements of a participant into personal opinion and fact (Thomas, 2003).

A questionnaire, as a widely used method of data collection (Rowley, 2014) can be self-administered or used in interviews. The self- completion questionnaire, sometimes referred to as a self- administered questionnaire or postal or mail questionnaire (Rowley, 2014; Bryman and Bell, 2015) is considered the principal method of research, with the self- administered form being completed through the internet, via post, or by hand (Bryman and Bell, 2015). In contrast, the interview questionnaire method can be conducted via telephone or in person, by means of a structured interview schedule.

The use of questionnaires provides multiple benefits to the researcher. In identifying a number of advantages of using questionnaires in social science quantitative research, Rossi et al. (2013) mention that one of the most important advantages, as discussed by Saunders et al. (2009b), is that they are extremely easy to use and cost-efficient to conduct and carry out. In the same vein, Nulty (2008) and Greenlaw and Brown-Welty (2009) state that surveys constructed online or on

paper are comfortable for the participants of the research, who are expected to provide unbiased responses without being affected by the researcher's opinions. Likewise, online survey services and new software packages have made the process easier and quicker to use, as well as more attractive (Wright, 2005). An internet-based questionnaire will eliminate bias from the participants, and reduce set-up time, which can be considerable for large samples. Also, it is inexpensive, time efficient, incorporates a large sample base with high convenience, while still being able to obtain measurements of attitude or practice (Creswell, 2012).

Questionnaires are extremely practical and effective in gathering data from research participants, and help in collecting a large quality of information at once (Eiselen et al., 2005; Brace, 2008; Rowley, 2014). Moreover, there is no limitation to the number of people to whom questionnaires can be given while conducting a survey. Another advantage of questionnaires is that they offer a way of collecting data in a form that is easily coded in a consistent format. This facilitates statistical analysis and testing of relationships and patterns in the data, as well as enabling comparison with other studies.

However, surveys also have their drawbacks. Authors including Rossi et al. (2013) and Sax et al. (2003) criticize surveys for lack of flexibility and for confining respondents to a small number of closed questions, with limited response options. Adcock (2001), meanwhile, maintains that respondents' answers may not truthfully reflect their views and experiences. Survey administration is also an issue, as mistakes and carelessness can lead to data errors. Nevertheless, such weaknesses can be overcome by care in instrument design and sample selection, enhancing the reliability of survey results (Cooper et al., 2003).

Questionnaires can be classified into descriptive and analytical types. They differ in question format, the former offering more open-ended questions, eliciting accounts of *"What people do and think",* whereas the latter uses more closed-ended questions, with the interesting of gathering data that enable hypothesis testing (Gray, 2018). The main purpose of descriptive questionnaires, as Pickard (2012) notes, is to identify and measure the general features and behaviours that characterize a particular population within a given period. In contrast, analytical

questionnaires are designed to enable the measurement of a number of variables, to be subjected to statistical analysis in order to test a given theory or hypothesis. Thomas (2003) expresses an advantage of descriptive questionnaires compared to analytical questionnaires, in terms of their ability to elicit deep and detailed information from respondents. In the view of Brace (2008), however, an analytical questionnaire tends to yield more accurate information than a descriptive questionnaire, because respondents can answer more quickly and easily, having only to select one of the limited numbers of options provided. The questionnaire used in this study had both descriptive and analytic elements, as will be seen in the explanation of the instrument construction, provided in the next sub section (see section 3.3.1.2.).

There were several reasons for using a questionnaire in the current study, for collecting primary data, including the size of the target population, the wide geographical area, and the type of data needed. Starting with the size of the target population, it is estimated based on reports from the Chamber of Commerce in Saudi Arabia, that the target population size is 3000, spread over a geographical area of land which occupies about 2.15 million square kilometres in the Arabian Peninsula (Almobaireek and Manolova, 2012). This is equivalent to the size of the United States measured towards the east of the Mississippi River (The Embassy of Saudi Arabia, Washington DC, 2019). Saudi Arabia has varied and challenging topography, characterized by desert and mountains. Saudi Arabia consists of thirteen provinces, and hundreds of cities and towns, in all directions, north to the border of Iraq, Kuwait and Jordan, South to the border of Yemen, on the east coast and on the west coast. The large geographical expanse of the country required an effective way to reach the target sample of participants, and this need could be met by a questionnaire. In particular, the challenging terrain, the difficulties of transport and the inadequacies of the postal system made online distribution a useful alternative. Therefore, the survey was conducted via the internet, using email and social media. Finally, the type of data needed, including categorical data about participants and their businesses, and opinion data, in a form conducive to analysis of patterns, could be acquired through a questionnaire and the respondents could

answer the survey questions independently. Rowley (2014) states that the main advantage of questionnaires is the "ability to make contact with and gather responses from a relatively large number of people in scattered and possibly remote locations" (p. 309).

3.3.2.2. Construction of the questionnaire

For this research, pre-existing instruments were used as the basis of the questionnaire. Saunders et al. (2009a) argue that adopting or adapting an existing instrument can be efficient and time-saving, and can facilitate comparison with other studies. However it is important to make sure that the items fit the purpose of the current study; adaptation may be necessary. The works of Busenitz et al. (2000), Martínez et al. (2010) and Davidsson and Steffens (2011) were the main sources of items used in the construction of the questionnaire, namely, regulatory, cognitive and normative dimensions of institutional profile.

The study of Busenitz et al. (2000: p. 994) "introduces and validates a measure of country institutional profile for entrepreneurship consisting of regulatory, cognitive, and normative dimensions. Subscales based on data from six countries show reliability, discriminant validity, and external validity. The instrument provides researchers with a valuable resource for exploring why entrepreneurs in one country may have a competitive advantage over entrepreneurs in other countries and how specific country-level institutional differences contribute differently to levels and types of entrepreneurship."

However, to meet the current research aim and objectives, most of the items were modified to be more relevant to the target participants, i.e. early stage entrepreneurs of Saudi Arabia. Some of these items were in the sections on the decision to start a new business, the sources and nature of the idea, the country's institutional profile for entrepreneurship, including the three dimensions (regulatory, cognitive and normative), the section of information about the business, business performance and bio data.

For example, several items in section E of the questionnaire on the country institutional profile for entrepreneurship including (regulatory, cognitive and

normative) dimensions were omitted. The following items are examples of omitted statements: “The government sets aside contracts for new small businesses”, “Local and central governments have special support available for individuals who want to start a new business”, “Even after failing in an earlier business, entrepreneurs are assisted by the government in start-ups”, “Administrative procedures and regulations are too much”, “Bureaucratic hurdles and corruption discourage local entrepreneurs”, “In my country, primary and secondary education draws adequate attention to starting new firms”, and “In my country, teaching at all levels of formal education encourages self-sufficiency and initiative”. Other items were modified and re-phrased to refer specifically to the Saudi environment (instead of ‘my country’ as in the original) such as item number E1, “Saudi Arabian government sponsors individuals starting their own business”, E2, “In Saudi Arabia, there is sufficient financial support available for new start-ups”, E5, “State laws (rules and regulations) are favourable to starting and running a new business”, E12, “University and college education provides adequate entrepreneurship education”, E13, “Universities and other learning institutions provide advisory and development support for a new business”, E15, “Saudi society at large welcomes new venture creation”, E16, “Innovative and creative thinking is viewed as the route to success” and E17, “Entrepreneurs in Saudi Arabia are seen as successful role models”.

The main section that was developed specifically for the survey was section G, the entrepreneurial support section. The aim of this section was to understand the types of support used by entrepreneurs and how they evaluated them. This section consisted of three columns. The first column was the type of institution (i.e. National Entrepreneurship Institute, Social Development Bank, Human Resources Development Fund (HRDF), Namaa Almunawara (non-profit organisation supporting SMEs), Saudi Aramco Entrepreneurship Centre (Wa'ed), BADIR Programme – Technology Incubator, Umm Alquraa University and others) that the entrepreneurs have used for support. The second was the type of support (i.e. finance, training, education, consultation, coaching, mentoring, and networking) that entrepreneurs have obtained from one or more institutions. The third column inquired whether or not entrepreneurs would recommend using these types of

support provided by the institutions. The reason for developing this section was to relate the questionnaire to the local context of Saudi Arabia and to address the research objectives by gaining insight into the types of support used, and from which institutions and to evaluate them from the entrepreneurs' perspectives.

Different types of response format were chosen for this questionnaire. Multiple choice questions were used to answer the sections of bio data, information about the business and the reason for the decision to start this new business, while Likert scales were used for opinion data, and lastly to type in some comments if there were any.

A Likert scale format was adopted because it is a psychometric scale commonly adopted in several types of questionnaire across a variety of disciplines. It is generally used in order to enable respondents to clearly indicate their level of agreement with a statement (Saunders et al., 2011). The number of points in the scale can vary. In order for the respondents to adopt a neutral position, it has been recommended that the appropriate number of response categories should be an odd number, and should not be more than nine or less than three (Aaker et al., 2007). A popular option is a five point Likert Scale, which provides enough information to enable measurement standardisation within a survey. This was the format used in this study. Extra points such as 7 or 9 points have the drawback of adding to the time needed for completing the questionnaire, particularly when there are a large number of items, and a five-point Likert scale provides sufficient discrimination among levels of agreement (Saunders et al., 2011).

The sections were arranged on the principle of leaving sensitive questions to the end to reduce the likelihood of non-completion of the survey. Thus, the questionnaire was arranged as follows:

Section A – Bio data

This section consisted of six questions (A1-A6), and it aimed to obtain biographical information on the participant, including gender, age group (i.e. 20 years or under, 21-30, 31-40, 41-50, 51-60, over 60), the region where they were starting up their business (i.e. Northern, Southern, Central, Eastern, or Western province), and the

number of years of experience before they started their present business (i.e. None, Less than 1 year, 1-5, 6-10, 11-15, 16-20, and over 20 years). A question about their level of education came next, with a number of choices to pick from (i.e. High school or less, Diploma, Bachelor's degree, Postgraduate degree, Doctorate, PhD, Others). The last question in this section asked whether the participant had attended and completed any business or entrepreneurial training, seminar or courses before or after the commencement of his/her business.

Section B – Information about the business

Section B consisted of four questions (B1-B4), which differed in the number of items. The focus of this section was to gather information about the start-up business. Question B1 asked about the age of the business. It provided five multiple choice options (i.e. Less than 1 year, 1 to less than 2 years, 2 to less than 3 years, 3 to 3.5 years, and More than 3.5 years).

Question B2 asked about the business category. It gave several choices to choose from (i.e, Manufacturing, Hospitality (hotel, restaurant, cafe or takeaway), Training, Education, Logistics (Transportation or Freightage), Information Technology, Retailing, Wholesaling, Law firm / Legal services, Health services (Clinic, Pharmacy), and the question left an option for Others, where it requested the participant to state their business category.

Question B3 asked the participant to describe the business that the entrepreneur was starting up, selecting from three choices: 1. an independent new business created by an individual or a team working on their own, 2. a purchase or take-over of existing business, 3. a franchise. There was also an option for "something else", where the participant was asked to state how they described their business. The last question in this section, B4, asked how many full-time employees were currently working for the organisation, with four response options: 1-5, 6 - 49, 50 - 249, and, 250 and above.

Section C – Decision to start a new business

This section consisted of four items aiming to understand what informed entrepreneurs' decision to start their businesses. The first item was to take advantage of support provided to entrepreneurs. The second was to take advantage of an opportunity. The third item indicated that there was no better choice (i.e. out of necessity. e.g. unemployment). The fourth item in this section was to find out if the respondent was employed, but setting up a business to seek additional sources of income.

Section D – Sources and nature of idea

Section D consisted of nine items. This section aimed to understand the nature and sources of the idea that the early stage entrepreneurs seek to pursue. That is, the researcher wanted to know if this idea was already in existence before the entrepreneur discovered it or it was a completely new idea that he or she created. A five-point Likert scale format was used for this section, where the numbers indicated the following: 1 - Strongly Disagree; 2 – Disagree; 3 – Neutral; 4 – Agree; and 5 – Strongly Agree. Those items were as follows: D1. My business idea is novel, D2. My business idea is unique to my local area, D3. My business idea is an extension to an existing business, D4. The idea stemmed from experience from my previous employment, D5. My business idea resulted from product/service unavailability in the market, D6. My business idea is a result of participation in exhibition or trade fair, D7. My business idea is built on my technical knowledge, D8. My business idea is aimed at providing solutions to community problems, and D9. The idea was a product of laboratory/workshop experiments.

Section E – Country institutional profile for entrepreneurship (including 1. Regulatory dimension, 2. Cognitive dimension, and 3. Normative dimension).

This section consisted of three parts, namely 1. Regulatory dimension, 2. Cognitive dimension, and 3. Normative dimension. The aim of this section was to understand participants' perceptions on support available for entrepreneurs in Saudi Arabia. A five-point Likert scale format was used for this section, where the number indicated the following: 1 - Strongly Disagree; 2 – Disagree; 3 – Neutral; 4 – Agree; and 5 – Strongly Agree. For the regulatory dimension, there were seven items (E1-E7) to

find out the perceptions on the types of support available. The first item aimed to see whether Entrepreneurship sponsors in Saudi Arabia assist individuals starting their own business. The second item asked whether there is a sufficient financial support available for new start-ups in Saudi Arabia. The third item asked about how easy is it for new and innovative businesses to get a loan from banks and other financial institutions. Item four asked the respondent's perception about whether there are sufficient subsidies available from entrepreneurship sponsors for new firms. The fifth item touched upon the state laws (rules and regulations) in Saudi Arabia and whether they are favourable to starting and running a new business. Similarly, the sixth item asked if the government provides legal protection to most newly-created businesses or not. The seventh item asked if all property rights are clear and protected by law.

The cognitive dimension consisted of five items (E9-E13), which aimed to understand the entrepreneurs' perception on people's awareness of entrepreneurship in Saudi Arabia. These items are: E9. "Individuals know how to legally register and protect a new business", E10. "Those who intend to start a new business know how to manage risk", E11. "Most people know where to find information about markets for their products", E12. "University and college education provides adequate entrepreneurship education" and E13. where seeking to learn about support from universities and other learning institutions, this last item in this dimension, "Universities and other learning institutions provide advisory and development support for a new business" sought to understand whether they provide advisory and development support for a new business.

The normative dimension was investigated in three items (E15-E17) that aim to understand perceptions towards entrepreneurs within Saudi society. The first of these three items were: E15. "Saudi society at large welcomes new venture creation", which investigates whether turning new ideas into businesses is an admired career path in Saudi. Item E16. was "Innovative and creative thinking is viewed as the route to success" and the last item in this section is E17, eliciting perceptions on whether "Entrepreneurs in Saudi Arabia are seen as successful role models".

Each of these three dimensions was followed by a question about the entrepreneur's intention to start up their businesses and whether it was increased or decreased. A five-point Likert scale format was used for this question where the numbers indicated the following: 1 - Decreased; 2 – Slightly decreased; 3 – Remained the same; 4 – Slightly increased; and 5 – Increased.

Section F – Business performance

Section F consisted of four items, with the objective of getting the entrepreneurs' opinions on the relative performance of their business, from commencement to date. The question was: For each of the following business outcomes, do you think your result so far has been better, worse or equal to what you expected when you started this business? A five-point Likert scale format was used for this question, where the numbers indicated the following: 1-Much Worse; 2- Worse; 3- As expected; 4- Better; 5- Much Better.

The outcomes investigated were: F1. Net profit (Sales minus operational cost), F2. Development of sales (change or growth in the volume of sales), F3. Cash flow (inflows minus outflow of money), F4. Growth of the company's value (Net Assets).

Section G – Entrepreneurial support

This section consisted of three items and it aimed to understand the types of support used by entrepreneurs, from which institution and how they evaluated them. In the "Type of Institution" column, several institutions were listed for the participants to pick from (i.e. National Entrepreneurship Institute, Social Development Bank, Human Resources Development Fund (HRDF), Namaa Almunawara, Saudi Aramco Entrepreneurship Centre (Wa'ed), BADIR Programme – Technology Incubator, Umm Alquraa University and others) with an open option for others, where the participant could state the name of the institution that he/she used to gain support.

The next column in this section asked about the type of support or service the participant used (i.e. Finance, Training, Education, Consultation, Coaching,

Mentoring, Networking) Then, the last column asked whether the participant would recommend using this service/support type from a particular institution or not.

The last two lines in this questionnaire asked the participants to add their contact information if they are interested in further interview and whether they had any comments or suggestions.

3.3.2.3. Pre-piloting and piloting

Scholars widely advocate conducting a pilot study before starting the main investigation (Neuman, 2014). Piloting enables the researcher to check that the questionnaire items are clear and understandable, and will yield the information needed, and to form an assessment of the instrument's content validity (Saunders et al., 2009a).

The researcher started pre-piloting and pre-testing the questions before refining the questionnaire. The purpose of this process, in addition to those stated above, was to enable the researcher to expand his knowledge about the area of entrepreneurship and the process of supporting start-ups, especially in the context of Saudi Arabia. Hence, in order to explore the phenomenon and to help with questionnaire design, in-depth interviews were conducted individually with five entrepreneurs, and four officials/supporters of entrepreneurial activities.

Interviews with potential entrepreneurs starting up businesses took the form of informal conversation to discover more about the research phenomenon and to learn about the field. It also addressed their ideas about the questions and how best to construct them and ask them to participants. Consideration was also given to the best way and best time to reach people and by which channels. The questionnaire was revised based on the comments and advice from those specialists.

Many changes were made to the survey items after conducting the pre-pilot study. For instance, there were originally more than 80 items, and these were reduced to 45 items for simplicity and in an attempt to reduce the time needed to fill the questionnaire, which may increase the response rate. Many other items were modified to make them clearer or more easy to understand. Moreover, more than

nine questions were taken out for their sensitivity and/or their being open to misinterpretation and the possibility that they might not yield valid results. Some items might confuse participants, e.g. the item, “Even after failing in an earlier business, entrepreneurs are assisted by the government in start-ups”, might confuse people or they might not be able to answer unless they have actually experienced getting support despite a previous business failure, which they might not want to admit. Another example, “Bureaucratic hurdles and corruption discourage local entrepreneurs”, contains two elements, i.e. hurdles and corruption, which might elicit different opinions. Also, it is not clear whether ‘disagree’ would mean that these factors do not exist, or that they exist but do not deter people.

Examples of the removed items include the following: “The government sets aside contracts for new small businesses”, “Local and central governments have special support available for individuals who want to start a new business”, “Even after failing in an earlier business, entrepreneurs are assisted by the government in start-ups”, “Administrative procedures and regulations are too much”, “Bureaucratic hurdles and corruption discourage local entrepreneurs”, “In my country, primary and secondary education draws adequate attention to starting new firms”, and “In my country, teaching at all levels of formal education encourages self-sufficiency and initiative”.

The researcher felt this very important stages, as he gained confidence and started building relationships and expand his networks for the next step of the research. This stage had a positive impact in reducing the researcher’s anxiety and uncertainty about gaining access and managing the data collection process. Also, this stage informed the next stage of refining and piloting the questionnaire.

The purpose of this pilot study was to ensure content validity, especially in the context of Saudi Arabia, where the target population are located. Twelve research active experts and five entrepreneurs were involved in the pilot stage, for this purpose. The questionnaire was revised several times based on the comments and advice from those specialists.

This stage played a major role in ensuring the clarity and understanding of the questionnaire by the participants. It also raised the confidence of the researcher to go to the main investigation. Many lessons were learnt from the pre-pilot and pilot, on many different aspects of the research processes, and without going through these two stages, it would have been very challenging to proceed further with confidence and comfort. A copy of the final version of the questionnaire can be found in Appendix 1.

3.3.2.4. Translation process

In this section of the chapter, an explanation of the process of questionnaire translation will be given. The reason for translating questionnaires is to make the items available in the required language in the area that the study is taking place (Chidlow et al., 2014).

The questionnaire was developed and constructed in English, and after the pre-pilot and testing the clarity of the questionnaire, translation into the Arabic language took place to allow the questionnaire to be distributed to the targeted sample of entrepreneurs within Saudi Arabia, as the context of the study. An initial translation was prepared by the researcher, whose native language is Arabic. This translation was shown to a number of individuals similar to the intended participants. Then, after changes and corrections to the items, the researcher re-considered the translation with the help of four others, two of whom were experts in translation from English to Arabic and vice versa, and the other two were experts in the field of the study. Adopting a committee approach in the translation process, the team scrutinized the survey, question by question and item by item. The process was very detailed and it took the team three days to complete it. Many of the questions were simplified when translated into Arabic and were put into short sentences to make them easier for the respondents to read, understand and answer. For example, the section on the “Country Institutional Profile for Entrepreneurship” took a long time to translate in order to reach a sufficiently simple level of Arabic language for the target respondents to easily understand it and participate, while at the same time, providing clear information.

A number of errors were removed during the process of translation. In addition, this approach helped to increase the clarity and the accuracy of the questionnaire items, and consistency of the information, which in return helped the study as a whole to reduce some of the challenges in reaching its potential respondents (Saunders et al., 2011).

3.3.3. Phase two: The qualitative data

As indicated in the section on the research design (section 3.2.4) the broad quantitative data collected in Phase One of the research was complemented by qualitative data, collected in Phase Two. The purpose of this was to follow up and explore more deeply the issues raised by the first phase, by investigating the subjective beliefs, opinions and experiences of those who used or provided support services for entrepreneurs. For this purpose a semi-structured interview technique was used.

3.3.3.1. Interview

An interview is a direct and interactive means of obtaining information from respondents (Matthews and Ross, 2010), which offers an opportunity to obtain rich and detailed descriptions and explanations (Hommesley and Atkinson, 1995). Interviews vary in the degree of structure (Rowley, 2012), from a highly structured type, more like an oral questionnaire, to a relatively unstructured type. A popular option in social science research, and the one adopted in this study, is the semi-structured interview (Rowley, 2012). This combines the ability for the researcher to retain control over the direction of the interview, with the flexibility to probe for more information or follow-up emergent issues (May, 2011; Bryman, 2015). Such interviews are based on a previously prepared schedule, but the question order and wording can be changed to suit the context and the needs of individual participants (Matthews and Ross, 2010). Whereas structured interviews can constrain interviewees' responses, semi-structured interviews allow them freedom to express their opinions and experiences in their own way (Kvale, 1996).

3.3.3.2. The interview guide

King (2004) and Rowley (2012) suggest that among other sources, interview guides can be developed on the basis of previous investigations. This was the approach taken in this study, where the interview guide was developed on the basis of the information emerging from the survey conducted in Phase One of the study. Based on the analysis of Phase One data, interview questions were developed for conducting interviews with officials from supporting institutions and entrepreneurs.

Questions intended for entrepreneurs were similar in subject-matter to those addressed in the Phase One survey, albeit expressed in a more open form, to allow participants to explain their opinions and experiences in greater depth. In the case of the questions for support agency representatives, participants were invited to explain their role in support provision and to evaluate the support available. Some of these questions were directly related to the research questions and/or literature. Others were prompted by issues arising from the entrepreneurs' survey. For example, a number of respondents in Phase One reported difficulty in accessing support, whether financial support available from banks and other financial institutions, consulting services, training, mentoring or networking. Support providers were invited to respond to this criticism. The interview questions which were developed for conducting interviews with officials from supporting institutions and entrepreneurs can be found in Appendix 3.

3.3.3.3. Pilot interview

Although the interview questions had been based on the Phase One survey, and on the same underpinning sources from the literature, it was still necessary to pilot-test them before proceeding to the main study. The purpose of doing so was threefold. First, it was important to check that the questions were well-understood by participants, and would elicit relevant and useful information. Second, it was important as a test run of the procedures and equipment involved, in order to ensure that the interviews could be conducted and recorded smoothly, without technical difficulties. The third reason was as an opportunity for the researcher to practise and gain confidence in his role as an interviewer, for example, using

prompts and probes appropriately, keeping the discussion on track, while adapting flexibly to the content of each individual interview.

3.4. Implementation

Now that the choice of research methods and preparation of data collection instruments have been described, the purpose of this section is to report on their use in the main study. The section contains two sub sections, which describe the implementation of phases one and two of data collection, including sampling, administration of the instruments, and data analysis.

3.4.1. Phase one: The questionnaire survey

This sub-section explains the procedure involved in carrying out the survey in Phase One of the research, including gaining access to the field, selecting the sample, distributing the questionnaire, and analysing the data.

3.4.1.1. Gaining access

First of all, the researcher had to undertake some formal procedures in order to gain access to the target participants. This process began with obtaining a formal letter from the research director of studies from Manchester Metropolitan University (MMU) supporting the researcher's request for access to data and confirming permission for data collection (see appendix 7). This letter was directed towards institutions working with entrepreneurs in Saudi Arabia. The next step was to obtain official letters from these organisations, authorizing the researcher's access to data and participants' information, which, after some negotiation, was achieved. A formal letter from the General Authority for Small and Medium Enterprises (Monsha'at) in Saudi Arabia was provided to the researcher (see appendix 8) in order to support his request for the required data, i.e. target participants' contact information, to enable the researcher to conduct the survey and to interview a number of interested entrepreneurs and supporters at a later stage. Although this was not an easy task, the researcher was able to gain access to data, such as details of supported entrepreneurs from a number of institutions, namely, the Chamber of Commerce, National Entrepreneurship Institute, Social Development Bank, HRDF, and Namaa Almunawara, which covers all the different

regions (North, South, Eastern, Western, and Central provinces) of the Kingdom of Saudi Arabia. The reason why the researcher selected these institutions is that most of these institutions cover all regions of the country, and provide different types of support for a wide range of entrepreneurial activities.

3.4.1.2. Sample selection

A purposive sampling method was used for data collection, that is, a non-probability (non-random) procedure depending on the researcher's judgement (Saunders et al., 2009a). This approach was adopted for two reasons. First, the research was specifically concerned with early-stage entrepreneurs (entrepreneurs within the first three and a half years of operating their current venture), so it was important to include early entrepreneurs who met this criterion. Second, as explained below, the limitations of available data on entrepreneurs in Saudi Arabia did not offer a sufficiently large and reliable sample frame of entrepreneurs meeting this criterion, to warrant a probability selection strategy. The process of identifying potential respondents for the survey was as follows: As a sample frame to identify the target population, lists of entrepreneurs were obtained from the Saudi Chamber of Commerce and other institutions that support entrepreneurs to start up their own business. The list of the Chamber of Commerce contains 3000 businesses in all, these being SMEs that had registered in Small and Medium-sized enterprise development centres. After reviewing the details of these businesses, 1,950 businesses were found to be more than 3.5 years old, and were therefore excluded from the list, leaving 1,050 businesses. Of these, 447 businesses had full address details with e-mail addresses, so these were taken as the initial sample.

3.4.1.3. Distribution of the questionnaire

The period of the main data collection for the Phase One took approximately 120 days, from April to August 2017. A postal and online survey was used for data collection. There were a total of 117 responses to the questionnaire, constituting a 27% response rate.

3.4.1.4. Data analysis

The quantitative data were analysed with the aid of the Statistical Package for the Social Sciences (SPSS) as it is one of the most popular statistical software packages, which can perform highly complex data manipulation and analysis with simple instructions. Descriptive and inferential analyses were conducted on the data set.

Descriptive analysis (frequency, percentage, mean, median, mode) spread (variance, standard deviation, range, interquartile range) and shape (skewness and kurtosis) were used to highlight general tendencies (Cooper and Schindler, 2014).

While descriptive analysis allows the researcher to describe and provide a summary of the characteristics of the population or the sample, inferential statistics tests allow the researcher to make inferences or to be able to generalize from a sample to a larger population, according to Zikmund et al. (2013). The descriptive analysis was discussed further in Chapter Four.

3.4.2. Phase two: The qualitative data

The sample selection and procedures for phase two of the research depended to a large extent on the outcomes from phase one. These sections address the interview sample, procedures, and qualitative data analysis.

3.4.2.1. Sample selection

Forty potential support institutions were identified from literature, websites, online articles and other national and international bodies / institutions. Initially the aim was to interview officials from all 40 institutions, but it was only possible to interview 13 due to problems of access. Snowballing strategy was used in which one interviewee led to another. Regarding entrepreneurs, in the survey, some indicated their interest to participate in an interview. There were about 15 initially, but it was possible to interview only 7, due to time constraints and because some of them were unable to commit to the interview schedule.

3.4.2.2. Conducting the interviews

The interviews were conducted in several ways (i.e. face-to-face, phone and skype). The interviews were voice recorded (with permission) and notes taken during the

interview sessions. Saunders et al. (2009a) argue the need for a full record of each interview as a means to control bias and facilitate subsequent analysis. Audio-recording has the advantage of freeing the researcher to listen attentively to the interviewee, and to pay attention to non-verbal cues such as facial expressions and gestures. However, Ghauri and Grønhaug (2010) advise making brief notes also, as an aid to maintaining concentration and focus.

Face-to-face, telephone and skype were used to interview officials running organisations that support entrepreneurship in Saudi Arabia. In the main cities of Riyadh, Jeddah, Dammam, Makkah and Madinah, as well as in small cities in different regions on the country, such as the researcher's home town of Khafji, which is located in the north-east part of Saudi, as well as Ghat, Majmaah, Zulfi, Jubail and Kharj. Interviews were planned to be 30 minutes long; however, the duration of conducted interviews varied from 25 to 45 minutes long, depending on the interviewees' availability and willingness to contribute to the study. Dictaphones were used to store voice recordings in order to facilitate later transcription of the data. The same procedure was applied to entrepreneurs as well.

3.4.2.3. Data analysis

Interviews yield a large volume of qualitative data, which need to be reduced, organised and interpreted. There are several approaches to such analysis. In this study, an editing approach (Krippendorff, 2018) was used to organise and classify text into meaningful segments, code them into meaningful groups and look for patterns (Knodel, 1993).

NVivo, a qualitative data analysis computer software package, was used to help in analysing the interview data, through a thematic analysis tool. The advantage of this is the ability to process large quantities of data quickly (Krippendorff, 2018). NVivo enables the researcher to code text in categories and to store and retrieve segments of text related to a particular code, as needed.

The use of computer assisted qualitative data analysis software (CAQDAS) is, admittedly, controversial. Creswell (2013a) argues that it produces an inferior level

of analysis, while elsewhere (Creswell, 2014) he suggests that the use of CAQDAS may constitute a barrier between the researcher and the data. Specific criticisms include the danger that use of CAQDAS may encourage a tendency to quantify the data (Krippendorff, 2018), that it may result in fragmentation of the data, leading to loss of narrative flow (Weaver and Atkinson, 1994; Bryman and Bell, 2015) and that data can become decontextualized (Fielding and Lee, 1998; Bryman and Bell, 2015). The latter is of concern because awareness of context is a crucial aspect of qualitative analysis. Krippendorff (2018) adds a further problem: the risk of potentially misleading results of attempts to categorise data using CAQDAS, due to the complexities of language use and meaning. As he points out, the same idea may be expressed in a variety of ways, or the same word may be used with different meanings. As a result of such limitations, authors point out, CAQDAS programs cannot derive logical, meaningful conclusions from data (David and Sutton, 2004) and cannot replace the role of the researcher in thinking critically about the data (Krippendorff, 2018), linking codes to each other and to theory (David and Sutton, 2004) and interpreting the data. There are also considerations of cost, if a program has to be acquired privately, and time needed to learn to use it (Bryman and Bell, 2015).

Set against these limitations, however, are a range of benefits afforded by CAQDAS programs such as NVivo. They enable the processing of large volumes of data at high speed (Krippendorff, 2018) with organised, secure data strings, and easy location and retrieval. Text can be kept in folders enabling the development of an analytical framework that groups similar data from various case-types. Strings of words and phrases can be created, and related data extracted and grouped into higher-level categories or themes. In NVivo, each category of data is represented by a node under which segments of relevant texts are stored.

These features can assist the analysis process in a number of ways. For example, Bryman and Bell (2015) suggest that the encouragement to think of codes in terms of “trees” of inter- related ideas invites and facilitates consideration of possible connections between codes, and that the ease of relating coded text to demographic variables may be helpful in generating new explanations of the data.

Saunders et al. (2007) note that data search tools allow a word, phrase or collection of words to be searched within context, and that CAQDAS offers flexibility to use inductive or deductive coding (or both). They also draw attention to the possibility of writing memos and notes to record thoughts about the data systematically. Moreover, they concur with Bryman and Bell (2015) in suggesting that use of CAQDAS enhances transparency in the analysis process, forcing researchers to be more explicit and reflective about it.

In view of the above considerations, it seemed that the affordances of NVivo would be beneficial to the analysis process, subject to the caveat that the role of NVivo was in managing, organising and classifying the data, while reasoning and interpretation remained the responsibility of the researcher.

3.5. Validity, reliability and alternative quality criteria

The traditional approach to demonstrating research quality is through validity and reliability, and these were the criteria applied in Phase One of the research, as explained below. However, a number of researchers consider those criteria unsuitable for qualitative research, and suggest an alternative set of criteria grouped under the general heading of trustworthiness (Guba and Lincoln, 1994; Creswell, 2014). The section explains how quality issues were addressed in each phase of the research.

3.5.1. Phase one: Validity, reliability of quantitative data

Saunders et al. (2009a) define validity as the extent to which the methods on instruments of a study measure what they are intended to measure and the extent to which the findings of a study are really about what they claim to be about. Several procedures were employed in order to ensure the validity of the questionnaire.

To ensure validity for this research, it went through several stages, beginning with reviewing the literature in order to formulate the questionnaire items, then it was reviewed by the supervisory team. After that, a number of experts gave their opinions in order to improve the survey items. The next stage was to conduct a pre-

pilot study, where the researcher held an open informal discussion with experts in the field, target respondents, and institution officials (see section 3.3.1.3.).

The second quality criterion traditionally associated with quantitative research is reliability, which refers to the extent to which a data collection instrument will yield consistent findings (Saunders et al., 2009a). Approaches to assessing reliability include inter-rater reliability (where the scoring or conclusions of more than one researcher are compared), test-retest (where the instrument is administered to the same participants sometime after the first administration and the outcomes compared), or split half, where the instrument is divided into two parts and the scores compared. Alternatively, Cronbach's alpha statistic, which is the sum of all possible split halves, evaluates the internal consistency of an instrument (Field, 2005). In this study, the latter approach was used. The Cronbach's alpha obtained in piloting the questionnaire was 0.782, which is considered to be an acceptable result (Hancock and Mueller, 2010).

3.5.2. Phase two: Trustworthiness of qualitative data

The traditional approaches to validity and reliability, which originated in the positivist paradigm, are often said to be unsuited to qualitative data (Sandberg, 2005). Internal validity, for example, which is traditionally viewed in terms of the "truth" of the data, is inappropriate for evaluating data involving participants' interpretations of their experiences, rather than a single reality. Instead, the concern is more about how well the research report reflects the perceptions and experiences of the respondents – in this case, entrepreneurs and members of supporting institutions. This notion is captured by the concept of "credibility" (Creswell, 2014). Three approaches were used for achieving credibility. The first was engagement between the researcher and respondents, including careful explanation of the purpose of the research to encourage participants to respond fully and openly. The second was member checks, in which emergent interpretations were fed back to participants for their verification. The third was triangulation, since the qualitative findings were integrated with the quantitative findings in the final interpretation, as advised by Patton (2002).

External validity (generalisability) is also problematic for qualitative data, since they reflect the experiences of a specific (often small) group of people in a particular context (Bryman, 2015). Instead, researchers propose the notion of transferability, which is an informed decision on the part of the reader, about the appropriateness of applying the research conclusions to a particular context. To inform such decisions, the role of the researcher is to provide detailed information about the research context. Such information is provided in the introduction to the study.

With regard to reliability, there are two problems for qualitative research: the traditional idea of reliability is associated with measurement (Stenbacka, 2001) and it is concerned with consistency, which cannot reasonably be expected of participants' perceptions and experiences, which will inevitably change over time. Instead, researchers such as Sandberg (2005) focus on 'dependability', which is a demonstration of integrity in carrying out the research. This can be achieved by retention of research materials, and a clear account of how the research conclusions were reached. This will be demonstrated in the findings and discussion chapters of the thesis.

By a combination of these criteria, the aim is to how show that the qualitative data were fairly collected and interpreted, and present a reasonable and convincing account of the participants' experiences.

3.6. Ethical considerations

Research ethics can be viewed as a set of rules governing moral standards of conduct in research (Matthews and Ross, 2010). It includes respect for the research site(s) and participants, avoidance of harm, and integrity in collecting and reporting data (Creswell, 2014).

In order for the researcher to conduct this study, he first obtained ethical approval from the MMU Business Faculty Academic Ethics Committee. In order to ensure adherence to ethical principles, the researcher referred to the University's Academic Ethical Framework (MMU, 2011) and the University's Guidelines on Good Research Practice (MMU, 2002).

In line with these principles, the purpose of the research was carefully explained to the participants, before obtaining their informed consent to participate. They were assured that their involvement was voluntary, that their identities would not be disclosed, and that their data would be securely stored and used only for the purpose of the research. Every effort was made to avoid inconvenience to the participants. Moreover, care was taken to report the research outcomes fairly and honestly.

3.7. Summary

This chapter has explained the procedures by which data were collected to meet the objectives of this research. Firstly, philosophical issues were discussed and a rationale was given for taking a pragmatic stance and using a mixed methods design. In the second part, the choice of a survey strategy, with two phases of data collection, using a questionnaire (quantitative), followed by interviews (qualitative) was explained. The preparation, testing and refinement of the research instruments were also described. Lastly, the implementation procedures were explained, including sample selection, data collection, and data analysis. Consideration was also given to the validity and reliability of the questionnaire and the trustworthiness of the interview data. Issues of informed consent and confidentiality were also discussed. The data collected by means of the design and methods described will be reported in the next chapter.

4. CHAPTER FOUR: QUANTITATIVE PHASE FINDINGS

4.1. Introduction

Chapter Three discussed the data sources, research philosophy, methodology, methods and research design. This chapter presents the results of the quantitative data analysis based on analysis of survey data.

The chapter begins by reporting the outcomes of documentary analysis providing secondary data on Saudi Arabia's entrepreneurship profile, as a baseline against which the primary data collected in this study can later be compared. Following this, the primary data is introduced with an account of the number of valid responses and participants' demographic characteristics, using frequency analysis. The research objectives are then addressed by reporting descriptive statistics, normality and descriptive tests, as well as correlations between variables. Finally, a summary of the chapter is provided.

4.2. Secondary data

This section presents secondary data in four main areas. It begins with assessment of Saudi Arabia's Entrepreneurship Framework Conditions, based on the GEM model, drawing on GEM data for various years and other sources, such as World Bank reports. This is followed by consideration of entrepreneurial attitudes and behaviour, in terms of perceptions of entrepreneurship opportunity and capabilities. Data is then provided on the gender distribution of entrepreneurship in the kingdom. The last sub-section concerns trends over time and regions in applications for entrepreneurship support, reported by Saudi Arabia's National Entrepreneurship Institute (NEI, 2018). These data provide context for the empirical data collected in this study, as well as points of comparison, which will be taken up in the integration of all data sources in the Discussion chapter.

4.2.1. Entrepreneurship Framework Conditions

Following the GEM framework (see Chapter Two) this section contains information on finance for entrepreneurs, government support and policies (including taxes and bureaucracy), government programmes, entrepreneurial education and training (at

both school and post-school levels), R+D transfer, commercial, professional and legal infrastructure, internal market openness, access to physical and services infrastructure, and cultural and social norms.

4.2.1.1. Finance for entrepreneurship

In 2009, when Saudi Arabia first participated in a GEM survey, this factor was rated 3.01 on a scale of 1-5, indicating moderate availability of finance to support new ventures (GEM, 2017). Since then, however, the position seems to have weakened. In a survey reported by Ashri (2013), access to capital was rated second highest among the problems facing Saudi early-stage entrepreneurs. In 2016, interest rates increased and credit growth slowed, causing Saudi Arabia to drop ten places (to 57) in the Global Competitiveness Report for 2017-2018 (World Economic Forum, 2017). Moreover, the GEM rating of finance availability for entrepreneurship declined to 2.34, moving further towards the "insufficient" end of the scale (GEM, 2018). In the same year, the World Economic Forum (WEF) executive opinion survey ranked finance as the second greatest problem in doing business (World Economic Forum, 2017), while Wamda (2017) noted that, although approximately a third of support organisations were funding sources, access to bank finance was a major constraint; loans to SMEs accounted for less than 2% of commercial banks' total loans, a situation attributed to the risk aversion of investors (Wamda, 2017). Thus, there is a general convergence among multiple data sources, on the indication that finance for entrepreneurship is difficult to find and likely to be insufficient to promote entrepreneurial activity in the kingdom.

4.2.1.2. Government support and policies

This is another area that, according to GEM (2018) data has declined since the first survey in 2009, from 2.71 to 2.35. This appears to be in part attributable to perceptions of the difficulties posed by regulation-related issues; in Ashri's (2013) survey, 74 per cent of respondents cited such issues as among the toughest challenges they faced, while the WEF (2017-2018) rated policy instability as the fourth most problematic factor for doing business in Saudi Arabia. According to expert surveys by GEM in 2016 and 2017 (GEM, 2018), however, government

policies could operate as constraints or support for entrepreneurship, depending on the policy. As an example of a helpful policy, the World Bank (2018c) in its global 'Doing Business' report, noted that regulations and procedures for starting a business had been simplified; in particular, the time needed to notarize articles of association had been reduced.

The conflicting impacts, positive and negative, of government policies can be seen in international organisations' data on taxes and bureaucracy. On the one hand, the total tax and contribution rate (as a percentage of profit) for businesses in Saudi Arabia is 15.7%, which compares favourably with those for the MENA region generally (32.6%) and, even more so, the high-income OECD countries (40.1%), but the kingdom ranks only 76 out of 190 countries on ease of paying taxes (World Bank, 2018c). Tax and bureaucracy were ranked as the 6th and 7th most problematic areas for doing business by WEF (2017) and the problem is said to have been exacerbated by the introduction of a more complicated tax return (World Bank, 2018b). Wamda (2017) moreover, points out the costly and bureaucratic procedures involved in obtaining a commercial or industrial licence. As a result of such issues, the GEM rating for tax and bureaucracy shows a decline from 2.70 in 2009 to 2.23 in the latest figures (GEM, 2018).

4.2.1.3. Governmental programmes

Although this factor is rated separately in the GEM data, little information is provided. However, an encouraging sign is that the rating of 2.29, although low, represents an improvement from the 2009 rating of 1.97 (GEM, 2018), and the latest expert survey (GEM, 2018) views such programmes as a supportive factor for entrepreneurship.

4.2.1.4. Entrepreneurship education and training

GEM data provides evaluations of education and training sufficiency at two levels: basic school and post-school. At the basic school level, that latest report shows a rating of 1.41, down slightly from 1.47 in 2009 (GEM, 2017). This is the lowest-scoring factor among all the GEM Entrepreneurship Framework Conditions, located close to the bottom ('highly insufficient') end of the scale.

Nevertheless, some limited efforts in this area are reported. Ashri (2013) refers to the 'Injaz' project, providing education and entrepreneurship, business and work-readiness skills. Ashri cites an annual report on the project by one of the partner organisations, the National Commercial Bank, showing that in 2012, over 22,500 students were reached and trained through schools. However, data on more recent projects, if any, were not available.

As regards post-school entrepreneurship education and training, this was ranked higher than the school-level, at 2.17 (GEM, 2018), but this is still a low score, indicating relative insufficiency in this area. Ashri (2013) reported that, among 8 universities and colleges participating in his survey, 39% of respondents claimed availability of an entrepreneurship course in their institution, and 33% reported the existence of a student-run entrepreneurship club or organisation. However, 8 institutions represent a very small proportion of all universities and colleges in the country. As indicated in Chapter One, several universities have recently introduced entrepreneurship courses. For example, Wamda (2017) noted the role of King Fahd University of Petroleum and Minerals (KFUPM) in developing an entrepreneurial mindset and culture, and offering entrepreneurship education. King Abdullah University of Science and Technology (KAUST) and Effat University are also launching entrepreneurship-related programmes (Wamda, 2017).

4.2.1.5. R&D transfer

Almost the only data available on this condition was the GEM (2018) report, which shows a low rating of 1.78 (compared to 1.99 in 2009), making this one of the lowest- rated factors. Nevertheless, in the 2017 expert survey, this was rated both among the constraints and the support factors for entrepreneurship in the kingdom (GEM, 2018).

4.2.1.6. Commercial, professional and legal infrastructure

This is another factor with a low rating of 2.00 (down from 2.79 in 2009) according to GEM (2018) and identified as a constraint on entrepreneurship in the expert survey. This rating reflects perceptions of the low level or uncertainty of aspects such as property rights, necessary for confidence in doing business. As an example,

in its 'Doing Business' report for Saudi Arabia, the World Bank (2018a) rating of the legal rights in relation to credit was only 2, on a scale of 0-12. With regard to ease of doing business, Saudi Arabia is ranked 92 out of 190 countries; above the MENA region average of 115, but lower than most other Gulf countries, for example, UAE (21), Bahrain (66), Oman (71) and Qatar (83) (World Bank, 2018b). With regard more specifically to the ease of starting a business, Saudi Arabia ranks even lower, at 135, compared, for example to 31 for Oman and 51 for the UAE (World Bank, 2018b). However, Saudi Arabia has introduced some reforms, such as improving contract enforcement by the use of electronic filing, and speeding up insolvency procedures (World Bank, 2018b). King Saud University's introduction of programmes on intellectual property rights and technology licensing (Wamda, 2017) may go some way towards improving the commercial, professional and legal aspect of the Framework Conditions.

4.2.1.7. Internal market openness

Although this factor received only a moderate score of 2.28 in the latest GEM report (GEM, 2018), and has declined slightly from 2.72 in 2009 (GEM, 2018), the 2016 expert survey identified market openness as a supportive factor for entrepreneurship.

4.2.1.8. Access to physical and services infrastructure

This is one of the highest-ranked factors in the GEM reports, despite a slight decline from 3.77 in 2009 to 3.38 in the latest report (GEM, 2017), and was considered as a supportive factor in the 2017 expert survey (GEM, 2018).

4.2.1.9. Cultural and social norms

This factor, rated 3.00 by GEM (2017) is the second highest rated of the Entrepreneurial Framework Conditions (EFCs), and one of the few to be rated higher than in 2009, when it scored 2.52 (GEM, 2018). Although experts responding to the 2016 survey viewed cultural and social norms as a constraint, in the following year such norms were seen as both constraining and supporting towards entrepreneurship. Ashri (2013), drawing on the GEM data for 2010, reported that 92.3% of the 18-64 years population perceived that Saudi society accorded high

status to successful entrepreneurs, and 86.8% thought entrepreneurship was viewed as a good career choice. Both figures were higher than the regional average of 80.9% and 75.3% respectively (Ashri, 2013). The latest GEM figures (GEM, 2018) are somewhat lower, at 69.25% for the proportion perceiving successful entrepreneurs as having high status, and 69.66% considering that entrepreneurship is viewed as a good career choice in Saudi society; nevertheless, it is interesting to note that this proportion is higher than in the USA (63.05%) and the UK (55.59%).

4.2.2. Entrepreneurial behaviour and attitudes

This section considers entrepreneurs' perceptions of the availability of opportunities for entrepreneurship, and of their own capabilities for entrepreneurship, as well as their motivation (opportunity or necessity-driven) towards entrepreneurship activity.

4.2.2.1. Perceived opportunities

GEM reports define perceived opportunities as the percentage of the population aged 18–64 years who see good opportunities for entrepreneurship in their area. In 2013, Ashri reported the relevant percentage as 75.8%, considerably higher than the regional average of 61.8%, while in successive reports, perceptions of opportunity was ranked highest among the 14 "pillars" of the Global Entrepreneurship Index (GEINDEX, 2015, 2016, 2017). The latest GEM figures put the relevant percentage of the working age population perceiving good opportunities for entrepreneurship in their area as 79.47%, an increase of 14.9% over 2009 (GEM, 2017).

4.2.2.2. Perceived capabilities

According to Ashri (2013), 69.3% of the working age population perceived themselves as having the required capabilities for entrepreneurship, slightly lower than the regional average of 71.5%. The GEINDEX (2015) ranked Saudi Arabia's human capital as 8th among the 14 "pillars" evaluated, with start-up skills rated second. Both these 'pillars' were ranked similarly highly in subsequent reports (GEINDEX, 2016, 2017). These positive perceptions are reflected in the latest GEM

data (GEM, 2017), according to which 71.82% of 18-64 year-olds perceived that they had the required capabilities for starting a business.

4.2.2.3. Entrepreneurship motivation

The GEM motivational index records motivation as the percentage of total entrepreneurial activity that is opportunity-driven, divided by the percentage that is necessity driven. According to GEM (2018), Saudi Arabia scored 1.15 on this indicator. According to GEM (2017), the great majority of entrepreneurial activity in the kingdom in 2016 (92.3%) was opportunity driven. Nevertheless, as a percentage of the total working population, necessity entrepreneurs at 4% represent slightly more than the regional average (around 3.5%) and opportunity-driven entrepreneurs (just under 8%) slightly less than the regional average of 9%.

4.2.3. Gender balance in entrepreneurship

Meunier et al., (2017) in a World Bank report show significant disparity between genders in business entry at the level of limited liability companies (8377: 794) and sole proprietorships (73,504: 204). Indeed, female business ownership is low in the whole MENA region, compared to OECD high income countries. The disparity can be explained in terms of financing constraints and lack of family-friendly entrepreneurship policies; Saudi Arabia has the highest measure of legal rights gender disparities in the region (Iqbal et al., 2016:13). The gender gap in business reflects other disparities, such as access to institutions, the use of property, and building credit, and especially disparities in rights important for entrepreneurship, such as registering a business, getting an ID card, travelling outside the home, and opening a bank account. Such constraints affect all women, but are particularly restrictive for female entrepreneurs who want to set up a business. For example, on starting a business, women are subjected to additional regulations compared to men; they must be identified by a male relative in order to obtain an independent ID card, and obtain their husband's permission to leave the home (World Bank, 2018a). The GEM 2016/2017 report announced significant imbalance in self-perceptions about entrepreneurship opportunities and capabilities between genders, in favour of men.

Nevertheless, there are indications that women are rapidly closing the gender gap. In the GEM 2016/2017 report, men constituted 61.4% of entrepreneurs, but women accounted for a higher proportion of nascent (i.e. up to 3 months) entry than men (GEM, 2017). By the following year, the gap was closing, with men accounting for 59.1% of entrepreneurs, and women 40.9% (GEM, 2018). This suggests women's increasing presence as entrepreneurs in Saudi society and a slow but continual shift towards equal opportunities.

4.2.4. Applications for entrepreneurship support

Figure 4.1 shows the trend of applications for support to the National Entrepreneurship Institute (2018) from the start of the support programme in 2006 to 2018. The figure shows a steady rise from 48 in 2006, to a high of 52,286 in 2016. Subsequently, however, numbers declined sharply, to 23,924 in 2017 and 16,933 in 2018. A similar pattern is evident in figures 4.2-4.4, for subsequent stages of the application process.

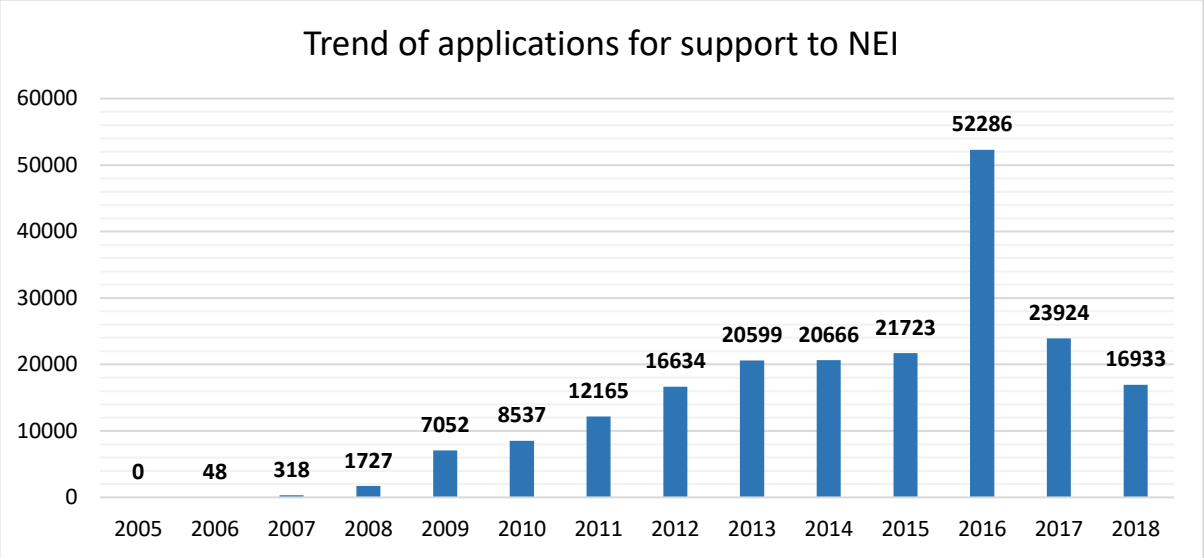

Figure 4.1: Trend of applications for support to the National Entrepreneurship Institute (Source: NEI, 2018)

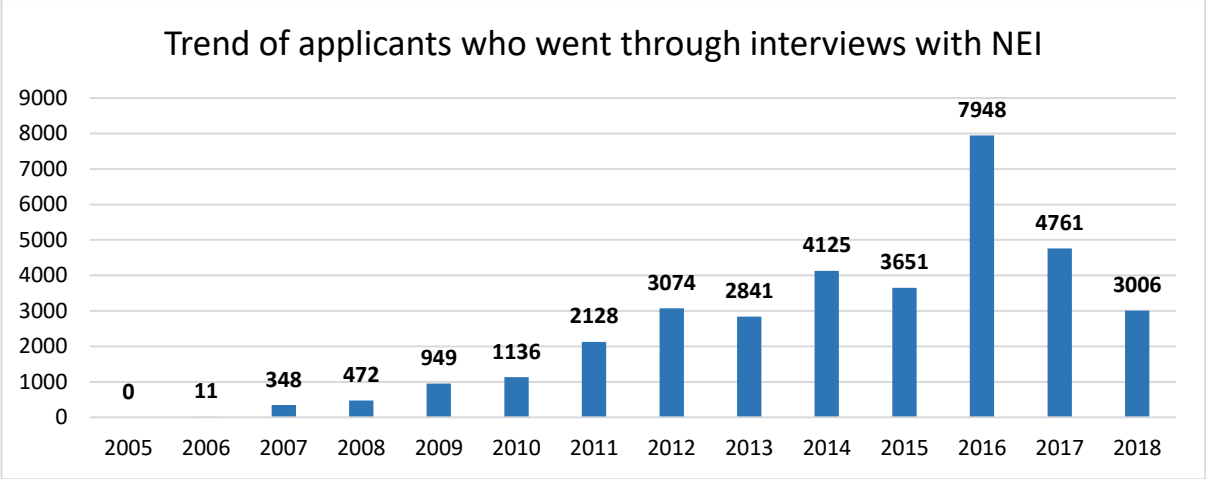

Figure 4.2: Trend of applicants who went through interviews with National Entrepreneurship Institute (Source: NEI, 2018)

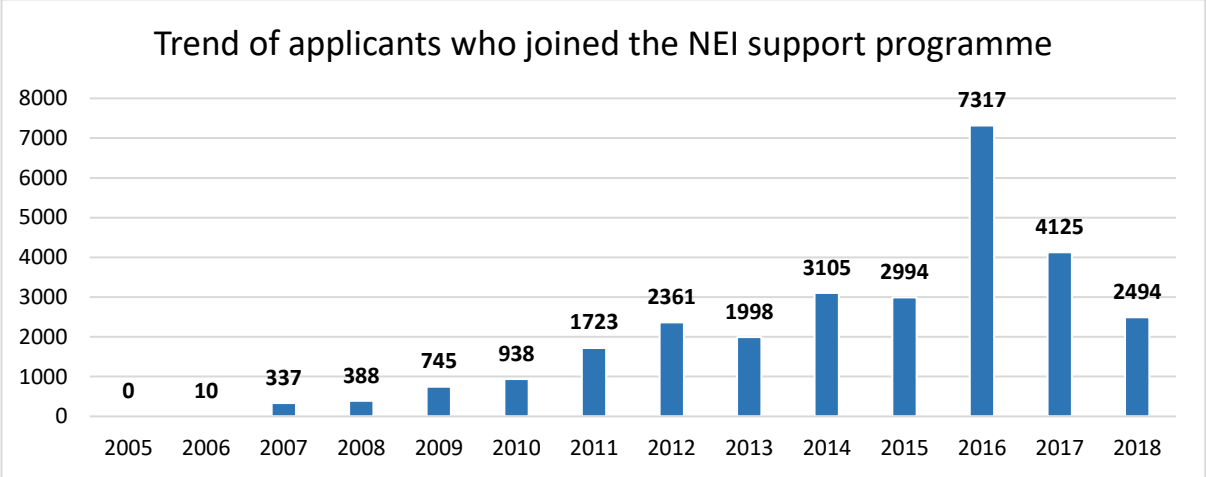

Figure 4.3: Trend of applicants who joined the National Entrepreneurship Institute support programme (Source: NEI, 2018)

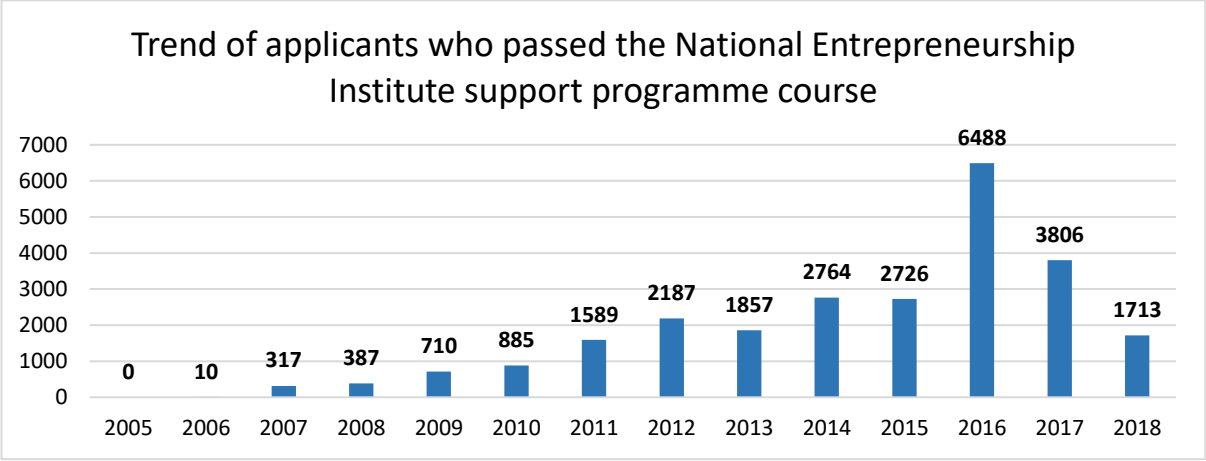

Figure 4.4: Trend of applicants who passed the National Entrepreneurship Institute support programme course (Source: NEI, 2018)

The decline in applicant numbers after 2016 can be explained by the oil price decline in that year, which may have resulted in fewer resources being available for setting up or supporting businesses. Apart from this, the other main feature evident from the data is the high level of attrition at each stage of the process. In 2018, for example, of 16,933 initial applicants, 3,006 were interviewed, 2,494 joined the training course and 1,713 passed the course.

The same pattern observed in applications to the NEI, of steady increase, followed by a sharp decline, was also reflected in applications for financial support, rising from 11 in 2006 to 5,132 in 2017, then dropping to 1,847 in 2018 (See figure 4.5).

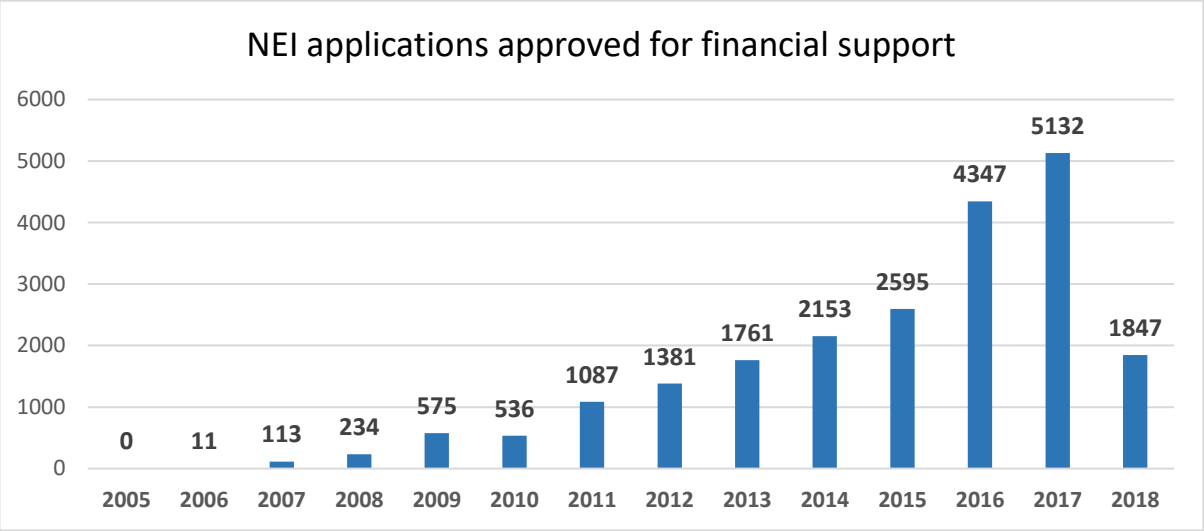

Figure 4.5: Trend of National Entrepreneurship Institute's applications approved for financial support (Source: NEI, 2018)

It is also evident that there has been considerable regional disparity in the numbers of applications recorded, from 59,143 in the Central region to 27,639 in the Northern region (Figure 4.6). Consistent with this pattern, according to Wamda (2017), 54% of all entrepreneurship support organisations are based in Riyadh, in the Central region, as are more than 60% of all funding sources, incubators and accelerators. This regional disparity reflects differences in regional populations.

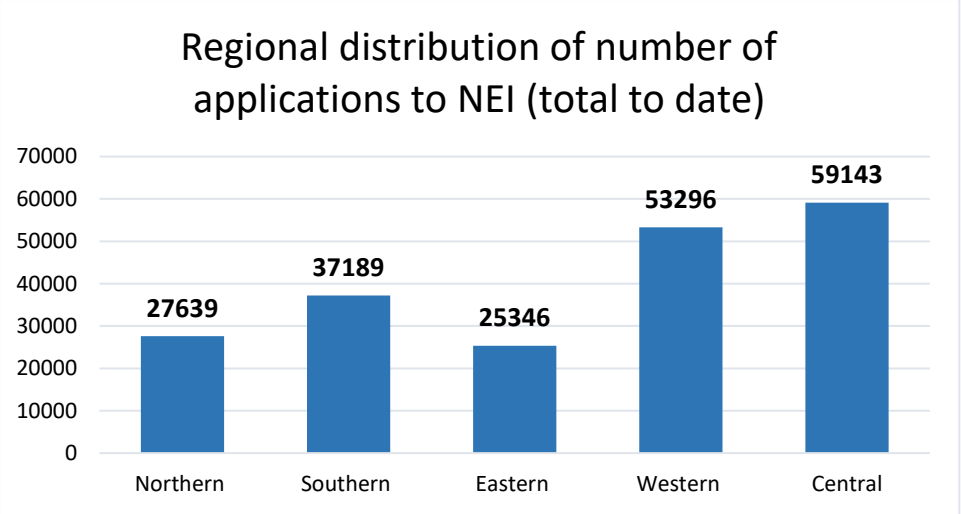

Figure 4.6: National Entrepreneurship Institute's regional distribution of number of applications (Source: NEI, 2018)

4.3. Primary data - Response rate and sample characteristics

4.3.1. Response rate

The survey was sent to 447 early stage entrepreneurs in Saudi Arabia through post and email. Fifteen emails were rejected as either the email address was incorrect, the email addresses contained an error or the entrepreneur data in the Chamber of Commerce lists was not correct. In total, 432 participants received the survey, out of which 121 replied. Four of these were excluded because they had been in business for more than three and a half years.

This left 117 valid responses (a 27% response rate) for further analysis. Not only were these fully completed but some even provided some extra information and comments. The respondents offered a good spread of data with respect to early stage entrepreneurs in Saudi Arabia. This is insightful because it suggests that the Saudi early stage entrepreneurs communicate well with emails and letters, and showed an interest to be involved in a study aiming to explore the role of formal institutional support in early stage entrepreneurship in Saudi Arabia.

Case Processing Summary

		N
Cases	Total	121

	Excluded[a]	4
	Valid	117

Table 4.1: Total Valid Participants (Source: SPSS analysis)

Table 4.1 shows the total valid participants in the survey (117) after eliminating responses (four of them) not fitting with the criteria of the study, i.e. start-ups that had been in business for more than three and a half years.

4.3.2. Description of participants

This section provides bio data on the participants and Information about their businesses. Frequency analysis will be used in presenting biographical information on the entrepreneurs participating in the study, such as their gender, age group, region where they were starting up their business, and the number of years of experience they had before they started their present business. Also, data about their level of education will be presented, and the section concludes with information about their participation in business or entrepreneurial training, seminars or courses, before or after the commencement of their business.

Then, business characteristics data will be presented, including the age of the business, business category, description of the business origins, whether it is an independent new business created by an individual or a team working on their own, a purchase or take-over of existing business, or a franchise. Last in this section is information on the numbers of full-time employees currently working for the start-up.

4.3.2.1. Biographical data

This section provides information about the entrepreneurs themselves. The survey contained six questions (A1-A6) which elicited biographical information on the entrepreneurs participating in the study, including their gender, age group (i.e. 20 years or under, 21-30, 31-40, 41-50, 51-60, over 60), the region where they were starting up their business (i.e. Northern, Southern, Central, Eastern, or Western province), and the number of years of work experience before they started their present business (i.e. None, Less than 1 year, 1-5, 6-10, 11-15, 16-20, and over 20

years). A question about their level of education came next, with a number of choices to pick from (i.e. High school or less, Diploma, Bachelor's degree, Postgraduate degree, Doctorate, PhD, Others). The last question in this section asked whether the participant had attended and completed any business or entrepreneurial training, seminar or courses before or after the commencement of his/her business.

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	87	74.4	74.4	74.4
	Female	30	25.6	25.6	100.0
	Total	117	100.0	100.0	

Table 4.2: (A1) Gender of entrepreneurs participating in the study (Source: SPSS analysis by author)

Table 4.2 shows that more than 25% of the entrepreneurs participating in this study were female, while nearly 75% were male. The percentage of female participation in the study is promising in the context of Saudi Arabia and may reflect the role of technology in helping to make the process of starting up and conducting business easier by means of electronic mail and social media to communicate with people. These developments offer women an opportunity to engage in business despite the constraints on Saudi women, who are culturally forbidden to interact with men to whom they are unrelated (Ahmad, 2011; Alsubhi et al., 2018).

Age of entrepreneurs		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 years or under	5	4.3	4.3	4.3
	21 – 30	23	19.7	19.7	23.9
	31 – 40	55	47.0	47.0	70.9
	41 – 50	24	20.5	20.5	91.5
	51 – 60	9	7.7	7.7	99.1

	Over 60	1	.9	.9	100.0
	Total	117	100.0	100.0	

Table 4.3: (A2) Age of entrepreneurs participating in the study (Source: SPSS analysis by author)

Table 4.3 shows the age of entrepreneurs participating in this study. The 31-40 age group were the majority of entrepreneur participants in this study, accounting for nearly 50% of the sample. The next group is the 41-50 age group, which participated with just over 20%. The 21-30 age group accounted for around 20% as well. Fewer than 5%, of the entrepreneurs were 20 years or under and only about 1% were over 60 years of age. It is worth mentioning that the majority of the Saudi Arabian population are in the 18 to 45 years age group (Ministry of Economy and Planning, 2010), which is reflected in the age range of participants in this study.

Entrepreneurs' level of education		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High school or less	3	2.6	2.6	2.6
	Diploma	17	14.5	14.5	17.1
	Bachelor's degree (B.Sc., BA)	50	42.7	42.7	59.8
	Postgraduate degree (e.g. Masters, MBA)	35	29.9	29.9	89.7
	Doctorate, PhD	12	10.3	10.3	100.0

	Total	117	100.0	100.0	

Table 4.4: (A5) Level of education of entrepreneur (Source: SPSS analysis by author)

Table 4.4 shows the level of education of the early stage entrepreneurs participating in this study. The majority of the participants, 42.7%, held a bachelor degree. Interestingly, participants holding postgraduate degrees (Master's, MBA) accounted for about 30%, while participants with diploma and high school education accounted for only about 17%. PhD holders constituted more than 10% of participants in this study. Thus, the Saudi entrepreneurs participating in this study were well educated.

Regions		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Northern Province	13	11.1	11.1	11.1
	Southern Province	16	13.7	13.7	24.8
	Central Province	33	28.2	28.2	53.0
	Eastern Province	27	23.1	23.1	76.1
	Western Province	28	23.9	23.9	100.0
	Total	117	100.0	100.0	

Table 4.5: (A3) Regions in Saudi Arabia where start-ups were operating (Source: SPSS analysis by author)

Table 4.5 shows the regions in Saudi Arabia where early stage entrepreneurs participating in this study were operating. The Central province, which is the largest in Saudi Arabia and contains the capital city of Riyadh, had 28.2% of the participants. Next came the Western province, as the second largest participation area. This area contains three major cities, Makkah, Madina and Jeddah. Third in the list comes the Eastern province, where the city of Dammam is located, and which also has one of the major institutions supporting entrepreneurship in the country, the Badir programme, working with the major oil company of Saudi Arabia, Aramco. The Southern and Northern provinces contained the fewest participants of this study, and this might be due to there being few cities in these two regions and

less developed infrastructure. However, it can be suggested that the regional imbalance reflected in this sample is an issue of potential interest to raise with support institutions' officials in stage two.

Years of experience		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	None	26	22.2	22.2	22.2
	Less than 1year	24	20.5	20.5	42.7
	1 – 5	27	23.1	23.1	65.8
	6 – 10	18	15.4	15.4	81.2
	11 – 15	11	9.4	9.4	90.6
	16 – 20	7	6.0	6.0	96.6
	Over 20 years	4	3.4	3.4	100.0
	Total	117	100.0	100.0	

Table 4.6: (A4) Years of experience entrepreneurs had before starting up their current business (Source: SPSS analysis by author)

As noted previously, respondents were classified as early stage entrepreneurs according to the age of the entrepreneurial venture they were operating at the time of the study. However, some had previous work experience, whether in a previous entrepreneurial attempt, or as employers in businesses owned and run by others. 'Experience', hence, refers to any such experience gained by the entrepreneurs, before setting up the venture with which he/she was associated at the time of the study.

Table 4.6 shows the years of work experience that entrepreneurs had before starting up their current business. The information in this table indicates that 23% of early stage entrepreneurs participating in this study had between 1 and 5 years of experience before starting their current business. Slightly more than 20% claimed to have less than 1 year of experience prior to their current start-up. About 15% had 6 to 10 years of experience, more than 9% had 11 to 15 years of experience, and 6% had 16 to 20 years of experience. Only slightly more than 3%

had over 20 years of experience before starting up their present business. Lastly, a little more than 22% of early stage entrepreneurs participating in this study indicated that they had no previous experience prior to their current business.

Completion of business or entrepreneurial training		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	68	58.1	58.1	58.1
	No	40	34.2	34.2	92.3
	Cannot remember	9	7.7	7.7	100.0
	Total	117	100.0	100.0	

Table 4.7: (A6) Completion of business or entrepreneurial training, before or after the commencement of start-up (Source: SPSS analysis by author)

Table 4.7 shows the proportion of the early stage entrepreneurs participating in this study who had attended and completed business or entrepreneurial training, seminars or courses before or after the commencement of their start-up. 58.1% answered yes to this question, whereas 34.2% answered no, while 7.7% indicated that they could not remember whether they had attended and completed any such training before or after the commencement of their start-up.

4.3.2.2. Business characteristics

This variable consisted of four questions (B1-B4), which differed in the number of items. The focus of this section was to gather information about the start-up business. Question B1 asked about the age of the business. It provided five multiple choice options (i.e. Less than 1 year, 1 to less than 2 years, 2 to less than 3 years, 3 to 3.5 years, and More than 3.5 years).

Question B2 asked about the business category. It gave several choices to choose from (i.e, Manufacturing, Hospitality (hotel, restaurant, cafe or takeaway), Training, Education, Logistics (Transportation or Freightage), Information Technology, Retailing, Wholesaling, Law firm / Legal services, Health services (Clinic, Pharmacy), and the question left an option for “Others”, where it requested the participant to state their business category.

Question B3 asked the entrepreneur to describe the business that he or she was starting up, selecting from three choices: 1. an independent new business created by an individual or a team working on their own, 2. a purchase or take-over of an existing business, 3. a franchise. There was also an option for "something else", where the participant was asked to state how they described their business. The last question in this section, B4, asked how many full-time employees were currently working for the organisation, with four response options: (1-5, 6 - 49, 50 - 249, and, 250 and above).

Age of the start up		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	43	36.8	36.8	36.8
	1 to less than 2 years	27	23.1	23.1	59.8
	2 to less than 3 years	30	25.6	25.6	85.5
	3 to 3.5 years	17	14.5	14.5	100.0
	Total	117	100.0	100.0	

Table 4.8: (B1) Age of the start-up (Source: SPSS analysis by author)

Table 4.8 shows frequency values among the participants, in relation to the age of their business. In terms of percentages, 36.8% of participants of this study had been running their business for less than 1 year, 23.1% of early stage entrepreneurs had been in business for one to less than 2 years. Slightly more, 25.6%, had been operating their business for two to less than 3 years. The last category is the smallest among others, with 14.5% who had been in business for three to 3.5 years.

Categories of start-ups		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manufacturing	9	7.7	7.7	7.7
	Hospitality (hotel, restaurant, cafe or takeaway)	22	18.8	18.8	26.5
	Training (centre, firm)	11	9.4	9.4	35.9
	Education (School) or Social services	12	10.3	10.3	46.2
	Logistics (e.g. Transportation or Freightage)	2	1.7	1.7	47.9
	Information Technology	15	12.8	12.8	60.7
	Retailing	15	12.8	12.8	73.5
	Wholesaling	5	4.3	4.3	77.8
	Law firm / Legal services	6	5.1	5.1	82.9
	Health (Clinic, Pharmacy)	5	4.3	4.3	87.2
	Others (please state)	15	12.8	12.8	100.0
	Total	117	100.0	100.0	

Table 4.9: (B2) Categories of start-ups in terms of business activity (Source: SPSS analysis by author)

Table 4.9 shows the categories in which entrepreneurs classified their area of business activity. As can be seen from this table, the category of hospitality (including hotels, restaurants, cafes and takeaways) was the largest, with 18.8%. After that came information technology and retailing, which both have the same percentage of 12.8%. Next, education has 10.3% and close to it is the training sector, with 9.4%. Manufacturing comes next with 7.7%, while law firms and legal services accounted for only 5.1%. Just five entrepreneurs operated in the wholesaling sector with 4.3% and a similar percentage was accounted for by the health sector (including: clinics and pharmacies). “Others” referred to other business categories that had not been listed. Participants of the study mentioned

number of them including maintenance of appliances, trade services, agricultural productions, the stock market, architect consultant, and beauty business.

Origin of start-up		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	An independent new business created by an individual or a team working on their own	90	76.9	76.9	76.9
	A purchase or take-over of existing business	15	12.8	12.8	89.7
	A franchise	3	2.6	2.6	92.3
	Something else (please state)	9	7.7	7.7	100.0
	Total	117	100.0	100.0	

Table 4.10: (B3) Description of the origin of start-up (Source: SPSS analysis by author)

Table 4.10 shows the categories in which entrepreneurs described the origin of their business. The majority described their business as an independent new business created by an individual or a team working on their own, which was the response of 76.9% of the participants of the study. The choice of purchase or take-over of an existing business accounted for only 12.8% and the least frequent choice was franchise, with only 2.6%. “Others” refers to types of businesses not included in the categories above. In this category, one respondent mentioned a mixture of a franchise and an independent business (the participant who gave this response offered no further explanation), and the rest referred to a programme where a governmental institution supported locals to start a telecommunication firm.

No. of Employees		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5	85	72.6	72.6	72.6
	6-49	27	23.1	23.1	95.7
	50-249	2	1.7	1.7	97.4
	250 and above	3	2.6	2.6	100.0
	Total	117	100.0	100.0	

Table 4.11: (B4) Number of full-time employees currently working for start-ups (Source: SPSS analysis by author)

Table 4.11 shows how many full time employees were working for these early stage businesses. The majority, nearly three-quarters, of early stage entrepreneurial projects had between 1 and 5 full time employees currently working for them. Most of the rest, about 23% of entrepreneurs participating in this study, had between 6 and 49 full time employees currently working for them. Fewer than 2% (two participants) claimed to have between 50 and 249 full time employees currently working for them, while a little more than 2.5% or three participants indicated that they had 250 or more full time employees currently working for them.

4.4. First research objective: To identify the most important reasons for starting a business in the context of Saudi Arabia (people's motivation for entrepreneurship).

This objective was addressed through section C on the decision to start a new business. It includes four items aiming to understand what informed entrepreneurs' decision to start their businesses. The first item is to take advantage of support provided to entrepreneurs. The second is to take advantage of an opportunity. The third item indicates that there was no better choice (i.e. out of necessity. e.g. unemployment). The fourth item in this section was a combination of the first two options. The fifth item was to find out if the respondent was employed, but setting up a business to seek additional sources of income. The last item was to give respondents the chance to choose something other than the listed options.

Most important reason to start-up		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To take advantage of support provided to entrepreneurs	16	13.7	13.7	13.7
	To take advantage of an opportunity	31	26.5	26.5	40.2
	No better choice (i.e. Out of necessity. E.g. Unemployment)	11	9.4	9.4	49.6
	Combination of the first two options above	24	20.5	20.5	70.1
	Employed, but seek additional sources of income	29	24.8	24.8	94.9
	Others (please state)	6	5.1	5.1	100.0
	Total	117	100.0	100.0	

Table 4.12: (C) Which of the following is the most important reason you decided to start a business? (Source: SPSS analysis by author)

Table 4.12 shows the categories in which entrepreneurs classified their reasons for deciding to start a business. As can be seen from this table, the category of "taking advantage of an opportunity" was the largest, with 26.5%. After that came the reason, "employed, but setting up a business to seek additional sources of income", which has almost 25%. Next, the "combination of the first two options" had slightly more than 20% of the responses. Interestingly, the reason of "taking advantage of support provided to entrepreneurs" came fourth among the six options, with about 14% only. Entrepreneurs who started their businesses due to having no better choice or out of necessity, for example, unemployment, accounted for less than 10% of the participants of the study. The remaining 5.1% represented entrepreneurs who started their business for other reasons, such as to be independent, liking working in trade, not wanting an 8-5 day job, or to achieve goals other than financial gain, as they mentioned. Only one respondent mentioned that the reasons were a combination of the first, second and fourth choices, which basically means the fourth choice.

4.5. Second research objective: To identify the type(s) of institutional support used by early stage entrepreneurs in Saudi Arabia.

This objective was addressed through three items, aiming to understand the types of support used by entrepreneurs, from which institution and how they evaluated them. In the "Type of Institution" column, several institutions were listed for the participants to pick from (i.e. National Entrepreneurship Institute, Social Development Bank, Human Resources Development Fund (HRDF), Namaa Almunawara, Saudi Aramco Entrepreneurship Centre (Wa'ed), BADIR Programme – Technology Incubator, Umm Alquraa University and others) with an open option for others, where the participant could state the name of the institution that he or she used to gain support.

The next column in this section asked about the type of support or service the participant used (i.e. Finance, Training, Education, Consultation, Coaching, Mentoring, Networking) Then, the last column asked whether the participant would recommend using this service/support type from a particular institution or not.

Although the questionnaire listed support types known to be available to entrepreneurs in Saudi Arabia, based on the literature review chapter, the responses show what types participants had used and which were in higher demand than others.

Support type	%
Finance	45.3
Training	20.5
Education	10.3
Consultation	47.9
Coaching	27.4
Mentoring	22.2
Networking	35.9

*Table 4.13: (*G) Summary of types of support used by entrepreneurs (Source: SPSS analysis by author)

Table 4.13 shows the different types of support given to entrepreneurs by a number of institutions. Analysis of responses shows that 45.3% of respondents had benefited from financial support. Only 20.5% mentioned that they had received training from support institutions. The situation with education is not promising, as only 10.3% of respondents claimed to have been through educational courses provided by institutions supporting early stage entrepreneurs in the country. Consultation, on the other hand, was widely used, as 47.9% of participants claimed that they had been provided with this type of support while starting up their business.

With regarded to coaching, the percentage of early stage entrepreneurs who had benefited from this type of support provided by number of institutions across the country was 27.4%. Mentoring as a type of support was received by even fewer respondents, as only 22.2% of respondents reported receiving mentoring support while starting up their business. Networking was popular among entrepreneurs, with 35.9% of respondents claiming to have benefited from access to networking as a type of support to help them in their business start-ups.

As we can see, consultation dominated the type of support used by early stage entrepreneurs in Saudi Arabia, closely followed by financial support. After that, coaching and mentoring seem to have been moderately used, and networking was popular. At the bottom of the list comes training and education, with the fewest participants claiming to have used or benefited from this type of support.

For types of institution that early stage start-ups had used, data show that participants had dealt with and used institutions listed in the survey and other institutions as well. Top on the list came the National Entrepreneurship Institute, Social Development Bank, and Human Resources Development Fund (HRDF). Next in the list came the Saudi Aramco Entrepreneurship Centre (Wa'ed), the BADIR Programme (Technology Incubator), and a few respondents had used support provided by Umm Alquraa University, Namaa Almunawara (a non-profit organisation supporting SMEs), and other institutions. What is interesting is that most people who used the National Entrepreneurship Institute, also, had used one of two other institutions, namely, the Social Development Bank, and the Human Resources Development Fund (HRDF). This may have implications for potential

inquiry to these support institutions' officials when interviewing them in phase two. The availability of these governmental institutions in almost every major city in Saudi Arabia might account for the widespread use of their services and support, more than those of other institutions, which are confined to a particular city or region, such as Saudi Aramco Entrepreneurship Centre (Wa'ed) or Namaa Almunawara.

In regard to "Others", participants indicated several options, which included the Chamber of Commerce, Bab Rizq Jameel (a popular private institution that supports early stage start-ups), and some other private agencies, e.g. Salem Bin Mahfooz charity organisation. The majority said they would recommend early stage start-ups to consult these support institutions, although a few did not see them as of benefit to new start-ups.

4.6. Third research objective: To examine the association between the sources and nature of the business idea and the provision of institutional/entrepreneurial support.

This section begins by examining responses related to the two relevant variables, in turn, then proceeds to discussion of the relationship test.

4.6.1. Variable 1: Sources and nature of business idea

This variable consists of nine items. It aims to understand the nature and sources of the business idea that the early stage entrepreneurs seek to pursue. That is, the researcher wanted to know if this idea was already in existence before the entrepreneur discovered it or it was a completely new idea that he or she created. A five-point Likert scale format was used for this variable, as follows: (1 - Strongly Disagree; 2 – Disagree; 3 – Neutral; 4 – Agree; and 5 – Strongly Agree). The items were as follows: D1. My business idea is novel, D2. My business idea is unique to my local area, D3. My business idea is an extension to an existing business, D4. The idea stemmed from experience from my previous employment, D5. My business idea resulted from product/service unavailability in the market, D6. My business idea is a result of participation in exhibition or trade fair, D7. My business idea is built on my technical knowledge, D8. My business idea is aimed at providing

solutions to community problems, and D9. The idea was a product of laboratory/workshop experiments.

Novelty of business idea		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	4.3	4.3	4.3
	Disagree	24	20.5	20.5	24.8
	Neutral	29	24.8	24.8	49.6
	Agree	36	30.8	30.8	80.3
	Strongly Agree	23	19.7	19.7	100.0
	Total	117	100.0	100.0	

Table 4.14: (D1) My business idea is novel (Source: SPSS analysis by author)

For the sake of clarity in presenting the data, the two levels of "strongly agree" and "agree" of the Likert scale are added together. Similarly, the levels of "strongly disagree" and "disagree" are added together as well. Neutral responses are presented independently. This applies to the subsequent analysis in this section (4.5.1.) and the next section (4.5.2.).

The table 4.14 above shows that more than 50% of participating entrepreneurs described their business ideas as novel. About 25% did not agree with the statement, "my business idea is novel". A similar percentage remained neutral in this regard.

Uniqueness of business idea		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	5.1	5.1	5.1
	Disagree	22	18.8	18.8	23.9
	Neutral	10	8.5	8.5	32.5
	Agree	52	44.4	44.4	76.9
	Strongly Agree	27	23.1	23.1	100.0
	Total	117	100.0	100.0	

Table 4.15: (D2) My business idea is unique to my local area (Source: SPSS analysis by author)

Table 4.15 shows that majority of participating entrepreneurs perceived their business ideas are unique to their local areas. About 24% did not agree, while 8.5% remained neutral in this regard.

Extension of business idea		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	21	17.9	17.9	17.9
	Disagree	22	18.8	18.8	36.8
	Neutral	24	20.5	20.5	57.3
	Agree	41	35.0	35.0	92.3
	Strongly Agree	9	7.7	7.7	100.0
	Total	117	100.0	100.0	

Table 4.16: (D3) My business idea is an extension to an existing business (Source: SPSS analysis by author)

Table 4.16 shows that about 43% of participating entrepreneurs viewed their business idea as an extension to an existing business. About 37% did not agree with that statement. Slightly more than 20% remained neutral in this regard.

Business idea from previous employment		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	9.4	9.4	9.4
	Disagree	26	22.2	22.2	31.6
	Neutral	19	16.2	16.2	47.9
	Agree	43	36.8	36.8	84.6
	Strongly Agree	18	15.4	15.4	100.0
	Total	117	100.0	100.0	

Table 4.17: (D4) The idea stemmed from experience from my previous employment (Source: SPSS analysis by author)

Table 4.17 shows that more than 50% of participating entrepreneurs reported that their business ideas stemmed from experience from their previous employment. About 32% did not agree with this statement. Slightly more than 16% remained neutral in this regard.

Business idea resulted from product/service gap		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	14.5	14.5	14.5
	Disagree	20	17.1	17.1	31.6
	Neutral	22	18.8	18.8	50.4
	Agree	25	21.4	21.4	71.8
	Strongly Agree	33	28.2	28.2	100.0
	Total	117	100.0	100.0	

Table 4.18: (D5) My business idea resulted from a product/service unavailability in the market (Source: SPSS analysis by author)

Table 4.18 shows that slightly under 50% of participating entrepreneurs thought that their business ideas resulted from a product or service that was unavailable in the market. About 32% did not agree with this statement. Slightly less than 20% remained neutral in this regard.

Business idea came from exhibition or trade fair		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	31	26.5	26.5	26.5
	Disagree	35	29.9	29.9	56.4
	Neutral	17	14.5	14.5	70.9
	Agree	23	19.7	19.7	90.6
	Strongly Agree	11	9.4	9.4	100.0
	Total	117	100.0	100.0	

Table 4.19: (D6) My business idea is a result of participation in exhibition or trade fair (Source: SPSS analysis by author)

Table 4.19 shows that just under 30% of participating entrepreneurs described their business ideas as a result of participation in an exhibition or trade fair. Interestingly, more than 55% disagreed to varying degrees. Slightly less than 15% remained neutral in this regard.

Business idea built on technical knowledge		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	23.9	23.9	23.9
	Disagree	35	29.9	29.9	53.8
	Neutral	16	13.7	13.7	67.5
	Agree	32	27.4	27.4	94.9
	Strongly Agree	6	5.1	5.1	100.0
	Total	117	100.0	100.0	

Table 4.20: (D7) My business idea is built on my technical knowledge (Source: SPSS analysis by author)

Table 4.20 shows that just under 33% of participating entrepreneurs reported that their business ideas were built on their technical knowledge. Interestingly, about 54% did not agree with this statement. Slightly less than 14% remained neutral in this regard.

Business idea solves problems		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	10.3	10.3	10.3
	Disagree	15	12.8	12.8	23.1
	Neutral	18	15.4	15.4	38.5
	Agree	42	35.9	35.9	74.4
	Strongly Agree	30	25.6	25.6	100.0
	Total	117	100.0	100.0	

Table 4.21: (D8) My business idea is aimed at providing solution to community problems (Source: SPSS analysis by author)

Table 4.21 shows that the majority of participating entrepreneurs (almost two-thirds) described their business ideas as aimed at providing solutions to community problems. Slightly more than 15% remained neutral in this regard.

Business idea came from lab or workshop		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	41	35.0	35.0	35.0
	Disagree	47	40.2	40.2	75.2
	Neutral	13	11.1	11.1	86.3
	Agree	14	12.0	12.0	98.3
	Strongly Agree	2	1.7	1.7	100.0
	Total	117	100.0	100.0	

Table 4.22: (D9) The idea was a product of laboratory/workshop experiments (Source: SPSS analysis by author)

Table 4.22 shows that fewer than 14% of participating entrepreneurs described their business ideas as the product of laboratory or workshop experiments, while the great majority, more than 75%, did not agree with this statement. Slightly more than 11% remained neutral in this regard.

To draw a meaningful conclusion about the differences in responses to the items, Table 4.23 below, analysing mean scores, enables comparison of the items in this section.

Item number	Sources and nature of business idea						
	Item	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Mean**
D1	**My business idea is novel**	5	24	29	36	23	**3.4**
D2	**My business idea is unique to my local area**	6	22	10	52	27	**3.6**
D3	**My business idea is an extension to an existing business**	21	22	24	41	9	**2.9**
D4	**The idea stemmed from experience from my previous employment**	11	26	19	43	18	**3.3**
D5	**My business idea resulted from a product/service unavailability in the market**	17	20	22	25	33	**3.3**
D6	**My business idea is a result of participation in exhibition or trade fair**	31	35	17	23	11	**2.6**
D7	**My business idea is built on my technical knowledge**	28	35	16	32	6	**2.6**
D8	**My business idea is aimed at providing solution to community problems**	12	15	18	42	30	**3.5**
D9	**The idea was a product of laboratory/workshop experiments**	41	47	13	14	2	**2.0**

Table 4.23: Means of sources and nature of business idea items (Source: Analysis by author)

The mean scores were calculated to extract the meaning from the Likert scale data. The mean is the total of all values for all the responses to an item, divided by the number of responses. In the 5-point Likert scale used in this study, answers are weighted from 1-5, where Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, Strongly Agree = 5. Higher scores mean higher agreement.

Examination of the mean scores enables the researcher to compare levels of agreement between items. In this scale, we can see that the highest mean scores are for items D2- My business idea is unique to my local area and D8- My business idea is aimed at providing solutions to community problems, meaning that the higher level of agreement was for the ideas that the business idea is unique to the locality, and that is was developed to solve a community problem. Conversely, we can see a very low mean for item D9- The idea was a product of laboratory/workshop experiments, suggesting that lab / workshop experiments played little role in entrepreneurs' business ideas. Items D6- My business idea is a result of participation in exhibition or trade fair and D7- My business idea is built on my technical knowledge also have low means, as both are below the mid-point of 3, suggesting overall disagreement with these items.

Apart from highlighting the mean, the table also enables us to compare other aspects, such as the levels of neutral responses. Although the table shows high levels of neutral responses for most items, some have particularly high levels, for example, items D1- My business idea is novel and D3- My business idea is an extension to an existing business. These scores suggest that relatively large numbers of respondents may have had difficulty explaining their business idea in these terms. It may be that novelty or extension of an existing idea played some role in their motivation, but was not the sole factor, or it could be that they had difficulties in evaluating the degree of novelty of their idea. Another interesting feature of the data is the much lower levels of "Strongly Agree" for items D7 and D9 compared with other items.

4.6.2. Variable 2: Provision (country profile) of institutional support

This variable includes three dimensions, regulatory, cognitive, and normative. In the Regulatory dimension, entrepreneurs were asked to rate 7 items (E1-E7) from 1 to 5 on a Likert scale, where 1 represents strongly disagree, 2 represents disagree, 3 represents neutral, 4 represents agree and 5 represents strongly agree. These items aimed to find out their perceptions of the types of support available. In particular, the first item aimed to see whether Entrepreneurship sponsors in Saudi Arabia assist individuals starting their own business. The second item asked whether there is sufficient financial support available for new start-ups in Saudi Arabia. The third item asked about how easy is it for new and innovative businesses to get a loan from banks and other financial institutions. Item four asked the respondent's perception about whether there are sufficient subsidies available from entrepreneurship sponsors for new firms. The fifth item touched upon the state laws (rules and regulations) in Saudi Arabia and whether they are favourable to starting and running a new business. Similarly, the sixth item asked if the government provides legal protection to most newly-created businesses or not. The seventh and last item in this variable asked if all property rights are clear and protected by law. The total of these items represents the variable, Regulatory dimension (Regulatory_Dim).

In the Cognitive dimension, entrepreneurs were asked to rate 5 items (E9-E13) from 1 to 5 on a Likert scale, where 1 represents strongly disagree, 2 represents disagree, 3 represents neutral, 4 represents agree and 5 represents strongly agree. These items aimed to understand the entrepreneurs' perceptions of people's awareness of entrepreneurship in Saudi Arabia. These items are: E9. "Individuals know how to legally register and protect a new business", E10. "Those who intend to start a new business know how to manage risk", E11. "Most people know where to find information about markets for their products", E12. "University and college education provides adequate entrepreneurship education" and E13. where seeking to learn about support from universities and other learning institutions, this last item in this dimension, "Universities and other learning institutions provide

advisory and development support for a new business" sought to understand whether they provide advisory and development support for a new business.

The normative dimension was investigated in three items (E15-E17) in which entrepreneurs were asked to rate from 1 to 5 on a Likert scale, where 1 represents strongly disagree, 2 represents disagree, 3 represents neutral, 4 represents agree and 5 represents strongly agree. This dimension aimed to understand how participants viewed prevailing perceptions towards entrepreneurs within Saudi society. These three items were: E15. "Saudi society at large welcomes new venture creation" which aimed to investigate whether turning new ideas into businesses is an admired career path in Saudi; E16, "Innovative and creative thinking is viewed as the route to success" and lastly, E17, as it meant to find out whether "Entrepreneurs in Saudi Arabia are seen as successful role models". The total of these two dimenstions, the cognitive and normative dimensions, form the variable, Informal Dimension (Informal_Dim).

4.6.2.1. The regulatory dimension

Government sponsors individuals		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	6.0	6.0	6.0
	Disagree	13	11.1	11.1	17.1
	Neutral	31	26.5	26.5	43.6
	Agree	46	39.3	39.3	82.9
	Strongly Agree	20	17.1	17.1	100.0
	Total	117	100.0	100.0	

Table 4.24: (E1) Saudi Arabian government sponsors individuals starting their own business (Source: SPSS analysis by author)

Table 4.24 shows that the majority or slightly more than 56% of participating entrepreneurs thought that the Saudi Arabian government assists individuals in starting their own business. Only about 17% did not agree with this statement. Slightly more than 25% remained neutral in this regard.

Availability of sufficient financial support		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	10.3	10.3	10.3
	Disagree	14	12.0	12.0	22.2
	Neutral	33	28.2	28.2	50.4
	Agree	41	35.0	35.0	85.5
	Strongly Agree	17	14.5	14.5	100.0
	Total	117	100.0	100.0	

Table 4.25: (E2) In Saudi Arabia, there is sufficient financial support available for new start-ups (Source: SPSS analysis by author)

Table 4.25 shows that about 50% of participating entrepreneurs thought that there is sufficient support available for new start-ups in Saudi Arabia. However, about 22% did not agree with this statement. Slightly more than 28% remained neutral in this regard.

Easiness of loans		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	10.3	10.3	10.3
	Disagree	25	21.4	21.4	31.6
	Neutral	39	33.3	33.3	65.0
	Agree	28	23.9	23.9	88.9
	Strongly Agree	13	11.1	11.1	100.0
	Total	117	100.0	100.0	

Table 4.26: (E3) New and innovative businesses can get easy loans from financial institutions (Source: SPSS analysis by author)

Table 4.26 shows that 35% of participating entrepreneurs thought that new and innovative businesses can easily get loans from financial institutions. Interestingly, however, a similar percentage (31.7%) did not agree with this statement, while a third of participants gave neutral responses. This spread of responses shows the diversity of perspectives towards the availability of loans to innovative business ideas.

Availability of sufficient subsidies		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	15	12.8	12.8	12.8
	Disagree	53	45.3	45.3	58.1
	Neutral	25	21.4	21.4	79.5
	Agree	17	14.5	14.5	94.0
	Strongly Agree	7	6.0	6.0	100.0
	Total	117	100.0	100.0	

Table 4.27: (E4) There are sufficient subsidies available from entrepreneurship sponsors for new firms (Source: SPSS analysis by author)

Table 4.27 shows that only 20.5% of participating entrepreneurs thought that there are sufficient subsidies available from sponsors of new firms in Saudi Arabia. However, the majority of participants did not agree with this statement, while a large proportion, slightly more than 20%, remained neutral in this regard. This might suggest a lack of access or unavailability of subsidies from support institutions to entrepreneurs, in particular, early stage start-ups.

Favourability of rules and regulations to start-up		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	17.1	17.1	17.1
	Disagree	32	27.4	27.4	44.4
	Neutral	31	26.5	26.5	70.9
	Agree	29	24.8	24.8	95.7
	Strongly Agree	5	4.3	4.3	100.0
	Total	117	100.0	100.0	

Table 4.28: (E5) State laws (rules and regulations) are favourable to starting and running a new business (Source: SPSS analysis by author)

Table 4.28 shows that fewer than 30% of participating entrepreneurs thought that the rules and regulations in Saudi Arabia are favourable to starting and running a new business. However, more than 40% of participants did not agree with this statement, while more than 25% remained ambivalent or uncertain, giving neutral responses. This might suggest difficulties in the process of new business registration.

Provision of legal protection		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	19.7	19.7	19.7
	Disagree	27	23.1	23.1	42.7
	Neutral	34	29.1	29.1	71.8
	Agree	26	22.2	22.2	94.0
	Strongly Agree	7	6.0	6.0	100.0
	Total	117	100.0	100.0	

Table 4.29: (E6) The government provides legal protection to most newly-created businesses (Source: SPSS analysis by author)

Table 4.29 shows that fewer than 30% of participating entrepreneurs thought that the government provides legal protection to most new start-ups. In contrast, more than 40% of participants disagreed with this statement, while more than 29% expressed neutral views. This might suggest difficulties in getting legal protection for new businesses.

Property rights		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	14.5	14.5	14.5
	Disagree	31	26.5	26.5	41.0
	Neutral	30	25.6	25.6	66.7
	Agree	34	29.1	29.1	95.7
	Strongly Agree	5	4.3	4.3	100.0
	Total	117	100.0	100.0	

Table 4.30: (E7) All property rights are clear and protected by law (Source: SPSS analysis by author)

Table 4.30 shows that slightly less than 35% of participating entrepreneurs thought that all property rights are clear and protected by law. However, more than 40% of participants disagreed with this statement. Hence, more than 25% remained neutral in this regard. This might suggest difficulties in getting legal protection for new businesses.

Intention to start a business		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Decreased	15	12.8	12.8	12.8
	Slightly Decreased	8	6.8	6.8	19.7
	Remained the same	47	40.2	40.2	59.8
	Slightly Increased	16	13.7	13.7	73.5
	Increased	31	26.5	26.5	100.0
	Total	117	100.0	100.0	

Table 4.31: E8 (Reg.) Based on the answers for regulatory dimension questions, my intention to start a business had: (Source: SPSS analysis by author)

Table 4.31 shows that more than 40% of participating entrepreneurs claimed that their intention to start a business had increased, based on their answers to the questions about the regulatory dimension for institutional support. At the same time, less than 20% of participants expressed that their intention had decreased. Interestingly, about 40% expressed that their intention had remained the same.

4.6.2.2. The cognitive dimension

Knowledge to register and protect a new business		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	7.7	7.7	7.7
	Disagree	23	19.7	19.7	27.4
	Neutral	12	10.3	10.3	37.6
	Agree	55	47.0	47.0	84.6
	Strongly Agree	18	15.4	15.4	100.0
	Total	117	100.0	100.0	

Table 4.32: (E9) Individuals know how to legally register and protect a new business (Source: SPSS analysis by author)

Table 4.32 shows that the majority of participating entrepreneurs thought that individuals know how to legally register and protect their new businesses. However, almost 30% of participants did not agree with this statement. Only about 10% remained expressed neutral views. This might suggest that most participants were confident about their knowledge on how to register their businesses.

Risk management of business start-ups		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	5.1	5.1	5.1
	Disagree	22	18.8	18.8	23.9
	Neutral	24	20.5	20.5	44.4
	Agree	54	46.2	46.2	90.6
	Strongly Agree	11	9.4	9.4	100.0
	Total	117	100.0	100.0	

Table 4.33: (E10) Those who intend to start a new business know how to manage risk (Source: SPSS analysis by author)

Table 4.33 shows that the majority of participating entrepreneurs thought that individuals intending to start a new business know how to manage risk. However, almost 25% of participants did not agree with this statement, while slightly more than 20% remained neutral in this regard. This might suggest that most participants were confident about their management of risk when it comes to starting up their businesses.

Knowledge of market and information about products		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	4.3	4.3	4.3
	Disagree	20	17.1	17.1	21.4
	Neutral	23	19.7	19.7	41.0
	Agree	55	47.0	47.0	88.0
	Strongly Agree	14	12.0	12.0	100.0
	Total	117	100.0	100.0	

Table 4.34: (E11) Most people know where to find information about markets for their products (Source: SPSS analysis by author)

Table 4.34 shows the perception of Knowledge of market and information about products where the majority of participating entrepreneurs (about 60%) thought that individuals intending to start a new business know where to find information about markets for their products. However, slightly more than 20% of participants did not agree with this statement, while a similar proportion were uncertain. This might suggest that most participants were confident about their knowledge of where to find information on markets for their products.

Entrepreneurship education		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	29	24.8	24.8	24.8
	Disagree	40	34.2	34.2	59.0
	Neutral	28	23.9	23.9	82.9
	Agree	19	16.2	16.2	99.1
	Strongly Agree	1	.9	.9	100.0
	Total	117	100.0	100.0	

Table 4.35: (E12) University and college provides adequate entrepreneurship education (Source: SPSS analysis by author)

Table 4.35 shows that the majority of participating entrepreneurs did not think universities and colleges provide adequate entrepreneurship education. Less than 20% of participants thought the opposite, and about 24% remained neutral in this regard. This might suggest that universities and colleges need to work hard towards providing adequate entrepreneurship education in Saudi Arabia.

Provision of advisory and development support		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	27	23.1	23.1	23.1
	Disagree	36	30.8	30.8	53.8
	Neutral	22	18.8	18.8	72.6
	Agree	28	23.9	23.9	96.6
	Strongly Agree	4	3.4	3.4	100.0
	Total	117	100.0	100.0	

Table 4.36: (E13) Universities and other learning institutions provide advisory and development support for a new business (Source: SPSS analysis by author)

Similarly, table 4.36 shows perceptions of the provision of advisory and development support by learning institutions where the majority of participating entrepreneurs did not think that universities and other learning institutions provide advisory and development support for new businesses. Nearly 28% of participants, however, thought the opposite, and, hence, fewer than 20% remained neutral in this regard. This might suggest that universities and other learning institutions should provide advisory and development support for new businesses.

Intention to start a business		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Decreased	17	14.5	14.5	14.5
	Slightly Decreased	14	12.0	12.0	26.5
	Remained the same	56	47.9	47.9	74.4
	Slightly Increased	17	14.5	14.5	88.9
	Increased	13	11.1	11.1	100.0
	Total	117	100.0	100.0	

Table 4.37: E14 (Cognitive) Based on the answers for cognitive dimension questions, my intention to start a business had: (Source: SPSS analysis by author)

Table 4.37 shows that the intention of participating entrepreneurs to start a business had increased in about 25% of cases, based on their answers to the questions of this cognitive dimension. At the same time, about 27% of participants expressed that their intention had decreased. Interestingly, about 50% expressed that their intention had remained the same.

4.6.2.3. The normative dimension

Society welcomes new venture creation		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	5.1	5.1	5.1
	Disagree	13	11.1	11.1	16.2
	Neutral	20	17.1	17.1	33.3
	Agree	47	40.2	40.2	73.5
	Strongly Agree	31	26.5	26.5	100.0
	Total	117	100.0	100.0	

Table 4.38: (E15) Saudi society at large welcomes new venture creation (Source: SPSS analysis by author)

Table 4.38 shows participants' impressions of the perception of Saudi society, at large, towards new venture creation. The majority of participating entrepreneurs thought that Saudi society, in general, welcomes new venture creation. Only about 16% of participants did not agree with this statement, while about 17% remained neutral in this regard. This might suggest that most entrepreneurs are welcomed in society, which might increase their motivation and confidence about starting up a new business.

Innovative and creative thinking route to success		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.7	1.7	1.7
	Disagree	4	3.4	3.4	5.1
	Neutral	8	6.8	6.8	12.0
	Agree	57	48.7	48.7	60.7
	Strongly Agree	46	39.3	39.3	100.0
	Total	117	100.0	100.0	

Table 4.39: (E16) Innovative and creative thinking is viewed as the route to success (Source: SPSS analysis by author)

Table 4.39 shows that the majority of participating entrepreneurs thought that in Saudi society, in general, innovative and creative thinking are viewed as the route to success. Interestingly, only about 5% of participants did not agree with this statement, and a similarly small proportion, about 7%, remained neutral in this regard. As the previous table suggests that most entrepreneurs are welcomed in the society, which might increase their motivation and confidence about starting up a new business, the information in this table also might encourage more start-ups. This item has, by far, the largest percentage of agreement and the lowest of disagreement. At the same time, participants seem to have been assured about their answers, as only about 7% remained neutral, which is the lowest percentage among all items in the survey.

Entrepreneurs as a role models		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.7	1.7	1.7
	Disagree	5	4.3	4.3	6.0
	Neutral	19	16.2	16.2	22.2
	Agree	65	55.6	55.6	77.8
	Strongly Agree	26	22.2	22.2	100.0
	Total	117	100.0	100.0	

Table 4.40: (E17) Entrepreneurs in Saudi Arabia are seen as successful role models (Source: SPSS analysis by author)

Table 4.40 shows that the majority of participating entrepreneurs thought that in Saudi society, in general, entrepreneurs are seen as successful role models. Only about 6% of participants did not agree with this statement. However, about 16%

expressed neutral responses. This might suggest, as the last two tables did, that generally, entrepreneurs perceive themselves as welcomed in the Saudi society, which might increase their motivation and confidence towards starting up a new business.

Intention to start a business		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Decreased	6	5.1	5.1	5.1
	Slightly Decreased	20	17.1	17.1	22.2
	Remained the same	47	40.2	40.2	62.4
	Slightly Increased	27	23.1	23.1	85.5
	Increased	17	14.5	14.5	100.0
	Total	117	100.0	100.0	

Table 4.41: E18 (Normative) Based on the answers for normative dimension questions, my intention to start a business had: (Source: SPSS analysis by author)

Table 4.41 shows that more than 35% of participating entrepreneurs declared that their intention to start a business had increased, based on their answers to the questions of this normative dimension. At the same time, about 22% of participants expressed that their intention had decreased. Interestingly, about 40% expressed that their intention had remained the same.

Further insights into the data can be obtained by comparing the response patterns and mean scores between items (see Table 4.42).

Item number	Provision (country profile) of institutional support - Regulatory, cognitive and normative dimensions						
	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
The regulatory dimension							
E1	Saudi Arabian government sponsors individuals starting their own business	7	13	31	46	20	**3.50**
E2	In Saudi Arabia, there is sufficient financial support available for new start-ups	12	14	33	41	17	**3.32**
E3	New and innovative businesses can get easy loans from financial institutions	12	25	39	28	13	**3.04**
E4	There are sufficient subsidies available from entrepreneurship sponsors for new firms	15	53	25	17	7	**2.56**
E5	State laws (rules and regulations) are favourable to starting and running a new business	20	32	31	29	5	**2.72**
E6	The government provides legal protection to most newly-created businesses	23	27	34	26	7	**2.72**
E7	All property rights are clear and protected by law	17	31	30	34	5	**2.82**
The cognitive dimension							
E9	Individuals know how to legally register and protect a new business	9	23	12	55	18	**3.43**
E10	Those who intend to start a new business know how to manage risk	6	22	24	54	11	**3.36**
E11	Most people know where to find information about markets for their products	5	20	23	55	14	**3.45**
E12	University and college education provides adequate entrepreneurship education	29	40	28	19	1	**2.34**
E13	Universities and other learning institutions provide advisory and development support for a new business	27	36	22	28	4	**2.54**
The normative dimension							
E15	Saudi society at large welcomes new venture creation	6	13	20	47	31	**3.72**
E16	Innovative and creative thinking is viewed as the route to success	2	4	8	57	46	**4.21**
E17	Entrepreneurs in Saudi Arabia are seen as successful role models	2	5	19	65	26	**3.92**

Table 4.42: Means of provision (country profile) of institutional support items (Source: Analysis by author)

In this scale, we can see that the highest mean scores are for items E16- Innovative and creative thinking is viewed as the route to success, E17- Entrepreneurs in Saudi

Arabia are seen as successful role models, E15- Saudi society at large welcomes new venture creation and E1- Saudi Arabian government sponsors individuals starting their own business successively, meaning that generally the highest level of agreement was for the normative dimension, which reflects norms and values prevailing in Saudi society, favourable to entrepreneurship. Moreover, the high level of agreement for item E1 suggests participants' favourable perception of the availability of government support for entrepreneurship, through sponsorship. Items E2- In Saudi Arabia, there is sufficient financial support available for new start-ups and E3- New and innovative businesses can get easy loans from financial institutions, on the regulatory dimension, have somewhat lower means, suggesting modest agreement with these items. Similarly, in the cognitive dimension, items E11- Most people know where to find information about markets for their products, E9- Individuals know how to legally register and protect a new business and E10- Those who intend to start a new business know how to manage risk also have moderately high means, suggesting overall agreement with these items.

Conversely, we can see very low means for items E12- University and college education provides adequate entrepreneurship education, and E13– Universities and other learning institutions provide advisory and development support for a new business, suggesting that universities' role in providing cognitive support for entrepreneurship through education and advice is less favourably perceived; consistent with this view, these items had for fewer "strongly agree" responses than other items. There are also several low mean scores on the Regulatory dimension, specifically for items E4, there are sufficient subsidies available from entrepreneurship sponsors for new firms. E5- State laws (rules and regulations) are favourable to starting and running a new business, E6– The government provides legal protection to most newly-created businesses, and E7- All property rights are clear and protected by law. Mean scores for all these items were below the mid-point of 3, suggesting overall disagreement with these items. This may have implications for potential inquiry to SIOs when interviewing them in phase two, as mean scores suggest a perception that rules and regulations are not favourable towards starting and running a new business.

A particularly noted feature of this table is the very high level of neutral responses for most items, especially those in the regulatory dimension, which ranged from 20 (17%) to 39 (33%). The high level of uncertainty or ambivalence may suggest that many respondents were not sufficiently aware of these forms of support to evaluate them, or they may have been reluctant to express a negative view of the efforts of the government and official bodies. Reasons for this large volume of neutral responses would be worth further investigation in the qualitative inquiry.

4.6.3. Testing the relationship between the source and nature of the business idea and the provision of institutional support

To examine the relationship between the business idea and the provision of institutional support, descriptive and normality tests were first applied, in order to choose the most suitable statistical tests. Table 4.43 shows the result of the normality test of these variables (Regulatory dimension, combined Cognitive and normative dimensions, i.e. informal dimension, and business idea).

The normality test and histogram of the regulatory dimension show that this variable follows a normal distribution, since the significance value of the normality test is more than .05.

Although the results for the other variables (Informal dimension, and Business idea) show that neither of them are normally distributed, as the significance value is less than .05, the histograms of both variables show that these variables follow a relatively normal distribution, as all the distributions are peaked in the centre. Therefore, to test the relationship between these variables (regulatory and informal dimensions, and business idea), a parametric statistical test is appropriate. Therefore, the Pearson product-moment correlation test was applied.

Tests of normality	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Regulatory_Dim	.084	117	.043	.985	117	.204
Informal_Dim	.099	117	.007	.949	117	.000
Business_idea	.135	117	.000	.968	117	.007

a. Lilliefors Significance Correction

Table 4.43: Tests of normality (Source: SPSS analysis by author)

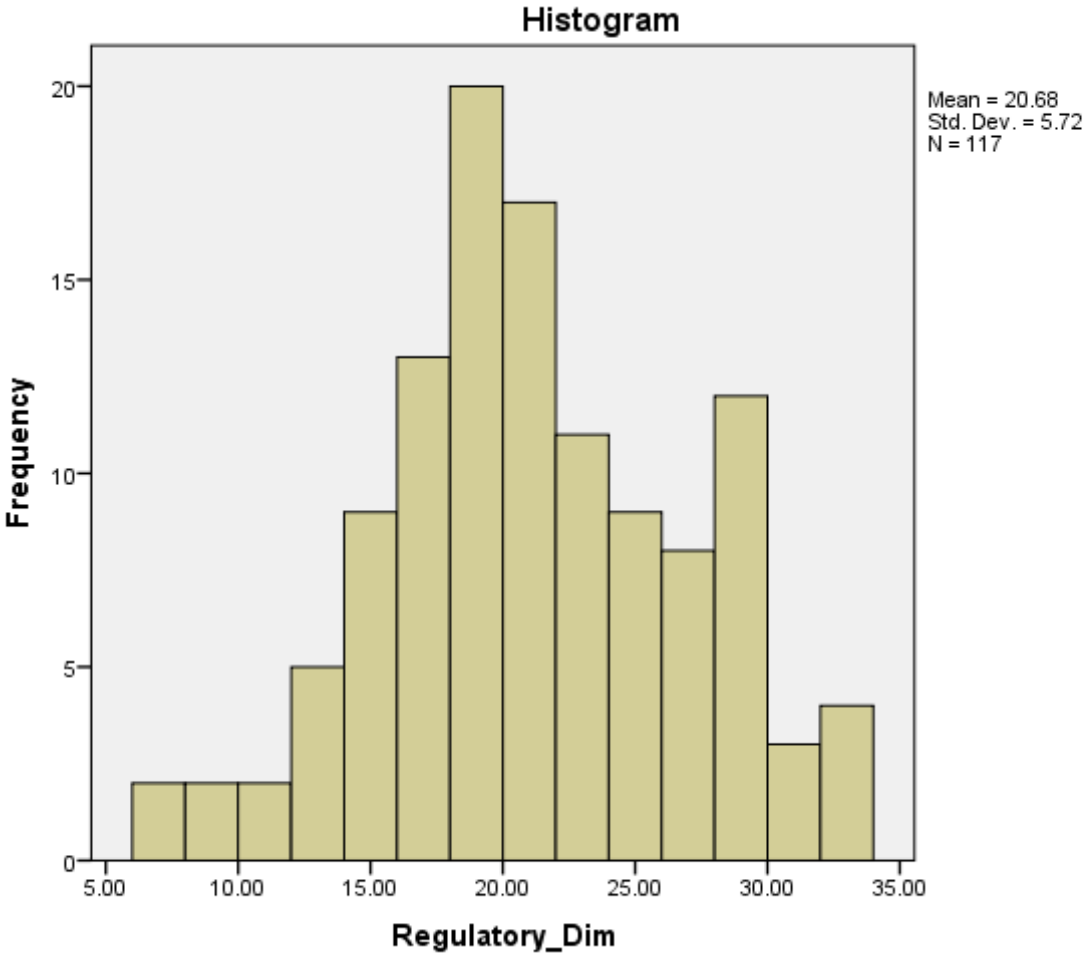

Figure 4.7: Histogram of the regulatory dimension (Source: SPSS analysis by author)

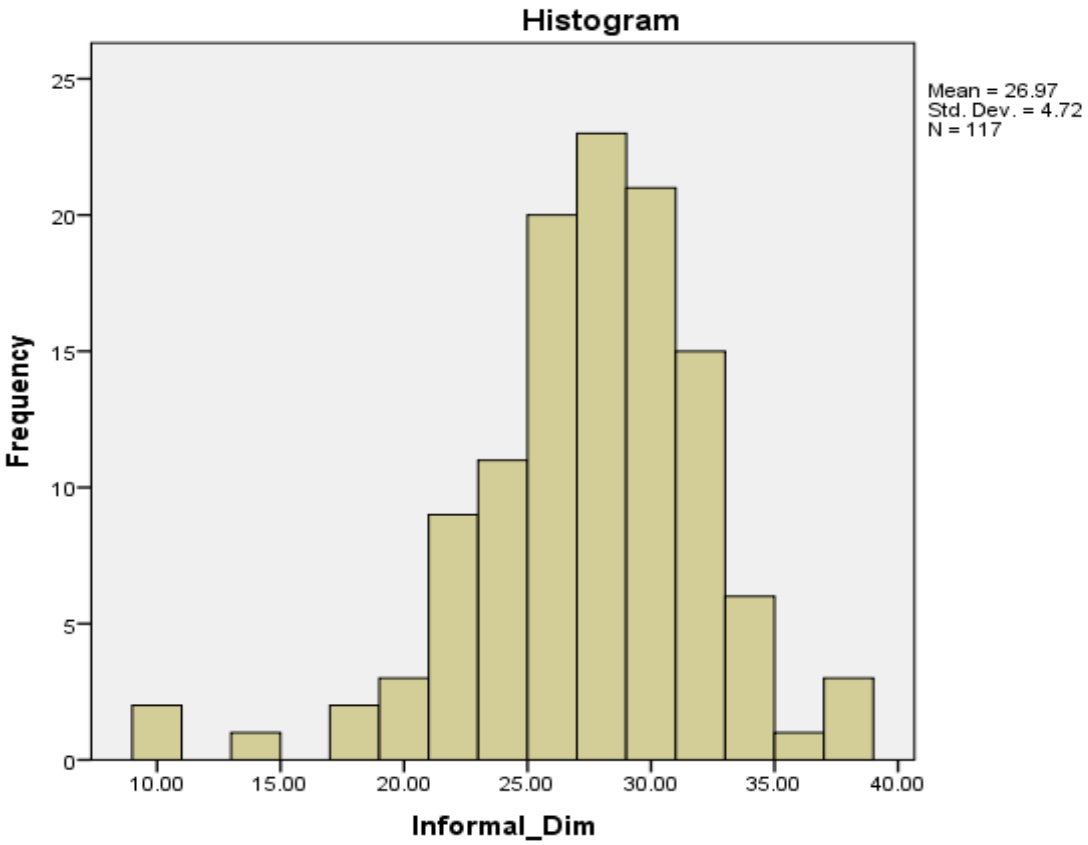

Figure 4.8: Histogram of the informal (cognitive and normative) dimensions (Source: SPSS analysis by author)

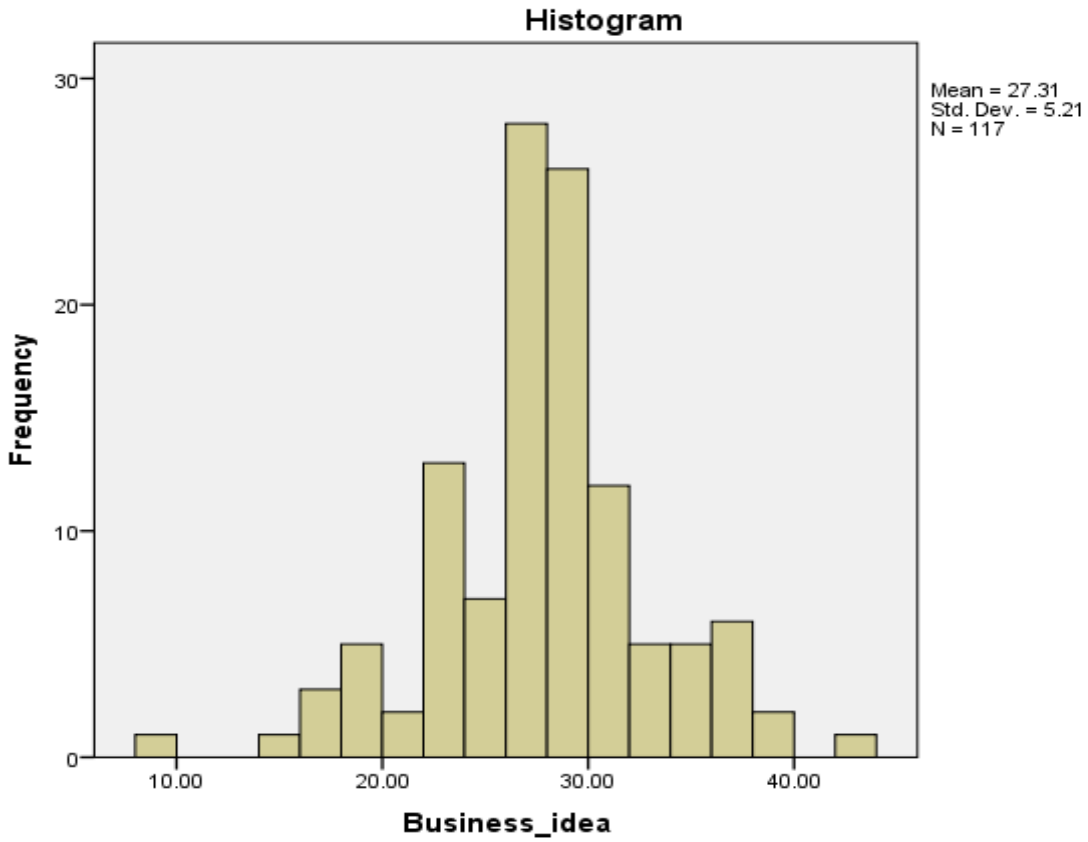

Figure 4.9: Histogram of the business idea (Source: SPSS analysis by author)

Table 4.43 shows the result of the normality test. To accept the correlation assumption, the significant value should be less than .05. The result shows that there is a significant relationship between the business idea and the regulatory dimension; however, the business idea is not related to the informal (cognitive and normative) dimension. The correlation coefficient determines the strength of relationship. Since the value of (r) is between .10 and .29, therefore, the business idea is related slightly to the regulatory dimension. Also, to get an idea of how much variance the regulatory dimension and business idea share, we multiply the correlation coefficient. The nature of the business idea helps to explain nearly 4% (r = .196 * .196 * 100 = 4 %) of the variance in provision of regulatory support.

Correlations test		Business_idea
Regulatory_Dim	Pearson Correlation	.196*
	Sig. (2-tailed)	.034
	N	117
Informal_Dim	Pearson Correlation	.010
	Sig. (2-tailed)	.916
	N	117

*. Correlation is significant at the 0.05 level (2-tailed).

Table 4.44: Correlations (Source: SPSS analysis by author)

4.7. Fourth research objective: To examine the association between institutional support and early stage business performance.

The variable, institutional support has already been introduced and explained (See section 4.5.2.). Therefore, this section focuses on the new variable, business performance, and relationship testing.

4.7.1. Variable 1: Business performance

This variable consisted of four items, with the objective of getting the entrepreneurs' opinions on the relative performance of their business, from commencement to date. The question was: For each of the following business outcomes, do you think your result so far has been better, worse or equal to what you expected when you started this business? A five-point Likert scale format was used for this question, where the numbers indicated the following: 1-Much Worse; 2- Worse; 3- As Expected; 4- Better; and 5- Much Better.

The outcomes investigated were: F1. Net profit (Sales minus operational cost), F2. Development of sales (change or growth in the volume of sales), F3. Cash flow (inflows minus outflow of money), and F4. Growth of the company's value (Net Asset).

Net profit		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Much Worse	8	6.8	6.8	6.8
	Worse	15	12.8	12.8	19.7
	As expected	47	40.2	40.2	59.8
	Better	35	29.9	29.9	89.7
	Much Better	12	10.3	10.3	100.0
	Total	117	100.0	100.0	

Table 4.45: (F1) With regard to net profit (Sales minus operational cost) my situation is: (Source: SPSS analysis by author)

Table 4.45 shows in regard to business performance that 40% of participating entrepreneurs thought that their business situation was as expected. Moreover, about 30% of participants saw their situation as better, 10% as much better. However, about 13% saw their situation as worse, and about 7% saw it as much worse. This might suggest that most entrepreneurs felt they were doing as expected and perhaps well in some cases. At the same time, a minority did not see themselves as doing well.

Development of sales		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Much Worse	2	1.7	1.7	1.7
	Worse	21	17.9	17.9	19.7
	As expected	50	42.7	42.7	62.4
	Better	36	30.8	30.8	93.2
	Much Better	8	6.8	6.8	100.0
	Total	117	100.0	100.0	

Table 4.46: (F2) In regard to development of sales (change or growth in the volume of sales) my situation is: (Source: SPSS analysis by author)

Table 4.46 shows in regard to business performance that about 43% of participating entrepreneurs thought that their business situation was as expected. Moreover, about 30% of participants saw their situation as better, 7% as much better. However, about 18% saw their situation as worse, and about only 2% saw it as much worse. This might suggest that most entrepreneurs felt they were doing as expected and perhaps well in some cases. At the same time, a minority did not see themselves as doing well.

Cash flow		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Much Worse	2	1.7	1.7	1.7
	Worse	27	23.1	23.1	24.8
	As expected	50	42.7	42.7	67.5
	Better	32	27.4	27.4	94.9
	Much Better	6	5.1	5.1	100.0
	Total	117	100.0	100.0	

Table 4.47: (F3) In regard to Cash flow (inflows minus outflow of money) my situation is: (Source: SPSS analysis by author)

Table 4.47 shows, in regard to business performance, that about 43% of participating entrepreneurs thought that their business situation was as expected. Moreover, about 28% of participants saw their situation as better, 5% as much better. However, about 23% saw their situation as worse, and only about 2% saw it as much worse. This might suggest that most entrepreneurs believed they were doing as expected and perhaps well in some cases. At the same time, a minority felt they were not doing well.

Growth value		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Much Worse	8	6.8	6.8	6.8
	Worse	18	15.4	15.4	22.2
	As expected	40	34.2	34.2	56.4
	Better	41	35.0	35.0	91.5
	Much Better	10	8.5	8.5	100.0
	Total	117	100.0	100.0	

Table 4.48: (F4) In regard to growth of the company's value (Net Asset) my situation is: (Source: SPSS analysis by author)

Table 4.48 shows in regard to business performance, that about 34% of participating entrepreneurs thought that their business situation was as expected. Interestingly, 35% of participants saw their situation as better, about 9% as much better. However, about 15% saw their situation as worse, and about 7% saw it as much worse. This might suggest that most entrepreneurs saw themselves as doing as expected and perhaps very well in many cases. At the same time, a minority did not see themselves as doing well.

Insight into relative perceptions towards the four items, reflecting different aspects of business performance, can be seen from the comparative data in table 4.49.

Item number	Business performance						
	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
F1	With regard to net profit (Sales minus operational cost) situation is	8	15	47	35	12	**3.24**
F2	In regard to development of sales (change or growth in the volume of sales) situation is	2	21	50	36	8	**3.23**
F3	In regard to Cash flow (inflows minus outflow of money) situation is	2	27	50	32	6	**3.11**
F4	In regard to growth of the company's value (Net Asset) situation is	8	18	40	41	10	**3.23**

Table 4.49: Means of business performance items (Source: Analysis by author)

Here, three of the four items are similar in mean score, suggesting a tendency towards agreement with these items. In contrast, item F3- In regard to Cash flow - inflows minus outflow of money shows a lower mean score, albeit still over the mid-point of 3.

The most striking feature of the table, however, is the exceptionally high levels of neutral responses for all items, which are higher than for any items in other scales, ranging from 40 (34%) to 50 (43%). In other words, at least one third of participants (and, for items F2 and F3, approaching half) were unable to express clear evaluations of these items. It could be that they were reluctant to admit to disappointing performance, or they may not have had a clear benchmark to inform their evaluation, or it may be that their businesses were too new to enable performance to be evaluated. Further investigation of participants' perceptions and experiences related to business performance would be of interest.

4.7.2. Testing the relationship between institutional support and early stage business performance

To examine the relationship between institutional support and business performance, descriptive and normality tests were applied in order to choose the most appropriate statistical test. Table 4.50 shows the result of the normality test of these variables (the regulatory dimension, the informal dimension, and business performance).

The normality test and histogram of the regulatory dimension show that this variable follows a normal distribution, since the significance value of normality test is more than .05.

Although the results for the other variables (the informal dimension, and business performance) show that neither of them is normally distributed, as the significance value is less than .05, the histograms of both variables show that these variables follow a relatively normal distribution, as the values are peaked in the centre. Therefore, to test the relationship between these variables, a parametric statistical test is appropriate. Therefore, the Pearson product-moment correlation test was applied.

Tests of Normality	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Regulatory_Dim	.084	117	.043	.985	117	.204
Informal_Dim	.099	117	.007	.949	117	.000
Bus_Performance	.135	117	.000	.974	117	.021

a. Lilliefors Significance Correction

Table 4.50: Tests of Normality (Source: SPSS analysis by author)

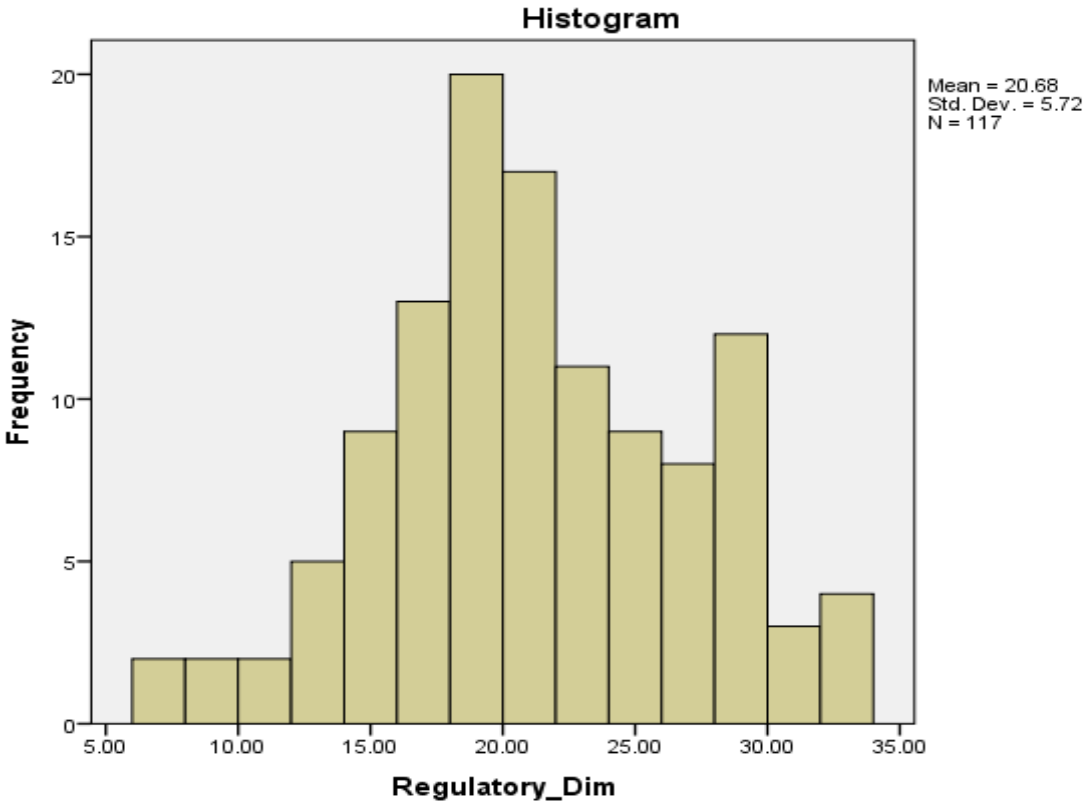

Figure 4.10: Histogram of the regulatory dimension (Source: SPSS analysis by author)

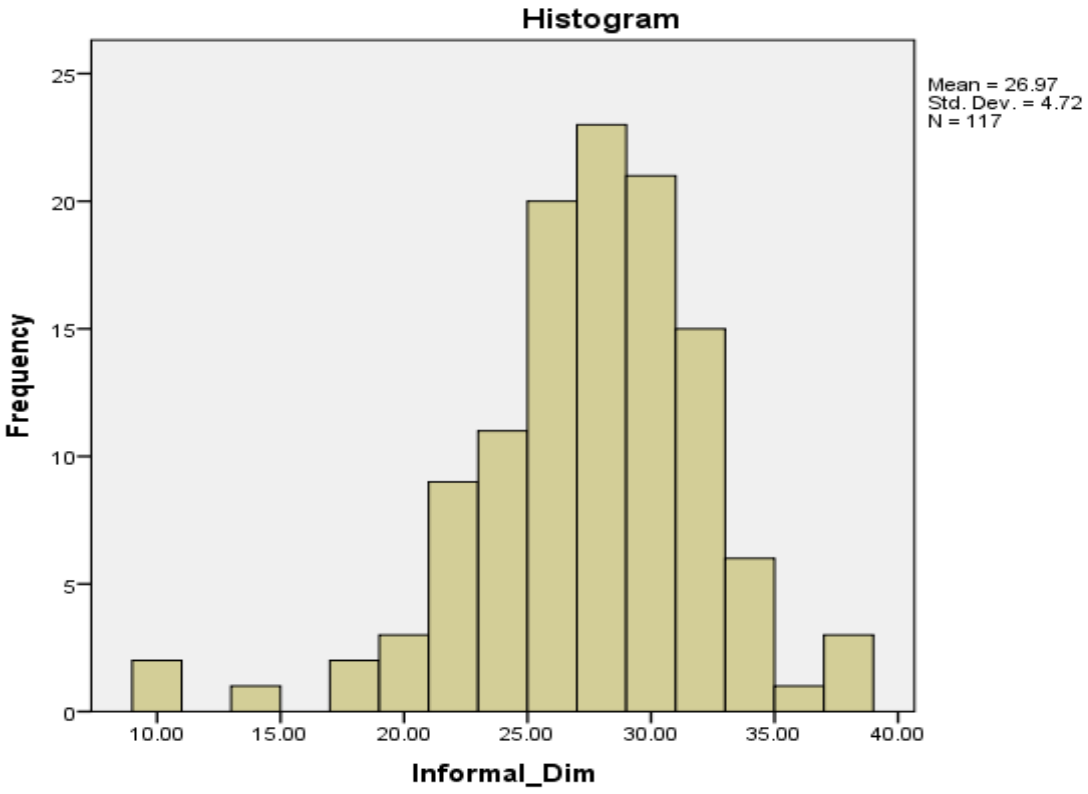

Figure 4.11: Histogram of the informal (cognitive and normative) dimensions (Source: SPSS analysis by author)

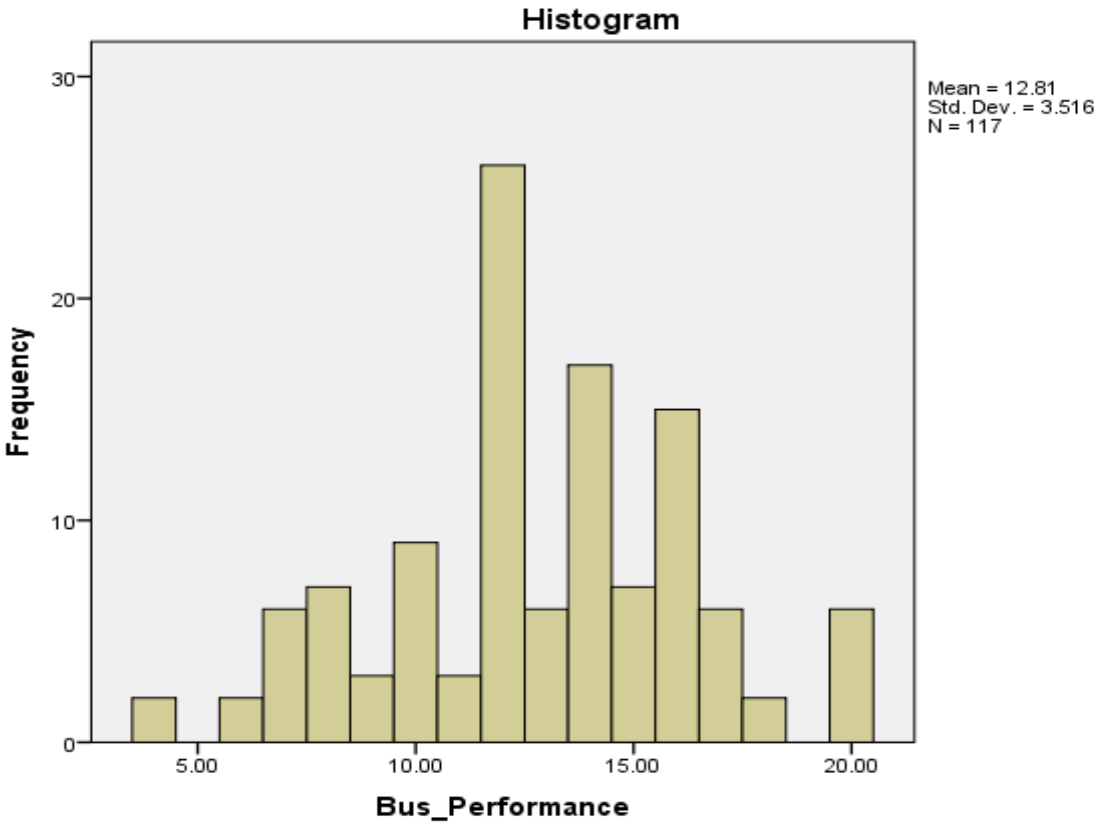

Figure 4.12: Histogram of business performance (Source: SPSS analysis by author)

Table 4.49 shows the result of the normality test. To accept the correlation assumption, the significance value should be less than .05. The results show that both types of institutional support are related positively to the business performance of start-ups, but the influence of formal institutional support (regulatory) is slightly more than the influence of informal institutional support on business performance. The correlation coefficient determines the strength of relationship. Since the value of (r) for the informal (cognitive and normative) dimension is between .10 and .29, the business performance is related slightly to the latter. However, the business performance is more related to the regulatory dimension since the value of (r) is between .30 and .49. Also, to get an idea of how much variance in business performance the regulatory and informal dimensions account for, we multiply by the correlation coefficient. The informal (cognitive and normative) dimension helps to explain nearly 8% (r = .280 * .280 * 100 = 8 %) of the variance in business performance, while the regulatory dimension helps to explain nearly 11% (r = .329 * .329 * 100 = 11 %) of the variance in business performance.

Correlations test		Bus_Performance
Regulatory_Dim	Pearson Correlation	.329**
	Sig. (2-tailed)	.000
	N	117
Informal_Dim	Pearson Correlation	.280**
	Sig. (2-tailed)	.002
	N	117

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.51: Correlations (Source: SPSS analysis by author)

4.8. Implications drawn to inform phase two (qualitative) of the study

This section provides information about the implications drawn from the quantitative data analysis in order to frame the interview questions for phase two, which provided an opportunity to raise issues of potential interest with Support Institution Officials (SIOs). These issues include whether, for example, officials perceived any differences related to gender, age group, level of education, prior entrepreneurial or business training, and previous experience in entrepreneurs' applications for any type(s) of support, and whether such factors influenced their decisions. In addition, with regard to regions in the country, given the regional imbalance reflected in this sample, it is of potential interest to raise with SIOs in stage two, how they perceived the regional distribution of support. Also, given that, in phase one, only 10% of respondents reported having received educational support and that items related to universities' role in provision of entrepreneurship education received low mean scores, it would be worth pursuing the question of what types of support are available for early stage entrepreneurs in Saudi Arabia and how the educational role is viewed by SIOs, including representatives of universities.

Several items related to the regulatory dimension of institutional support also obtained low scores, suggesting participants' doubts as to the availability of sufficient subsidies, the role of state laws in creating a favourable entrepreneurship

environment, legal protection for new businesses, and protection of property rights. All these issues would be worth following up with SIOs.

Moreover, it is important to ask SIOs about factors that influence their decision about granting support (especially, financial support). It is worth exploring whether the business idea has an effect on the entrepreneurs' support application being accepted, or not. Overall, the next stage shed further light on the two first objectives and addressed the fifth and sixth research objectives of the study, namely, to identify the challenges faced by entrepreneurs and the SIOs in accessing and providing support, and to identify possible solutions to improve the availability and effectiveness of support.

4.9. Summary

This chapter has provided an account of the quantitative data – both secondary and primary- compiled for this study. It began by presenting secondary data from a variety of international and national sources, pertaining to Saudi Arabia's EFCs and implications for entrepreneurship support. The international data show deficiencies in most of the EFCs, despite favourable social attitudes towards entrepreneurship. At the local level, NEI data show that training and financial support have increased, but since the economic downturn in 2016, there has been a decline in applications.

This account of the secondary data was followed by analysis of the survey data collected for this study. From the analysis, it was identified that support available to early stage entrepreneurs in Saudi Arabia was dominated by consultation, closely followed by financial support. Regarding reasons that motivate people for entrepreneurship, taking advantage of support provided to entrepreneurs and taking advantage of an opportunity were the most important. Moreover, it emerged that the business idea is slightly related to the regulatory dimension. The results show that both types of institutional support (formal and informal) are related positively to the business performance of start-ups, but the influence of formal institutional support is slightly more than the influence of informal institutional support. Therefore, the business performance is related slightly to the

cognitive and normative dimensions of institutional support, but more so to the regulatory dimension.

In general, the results of this phase offered an understanding and some initial insights into the role of institutional support to early stage entrepreneurs in Saudi Arabia. However, these results remain limited and it is necessary to look at the interpretations of the interview data in the next phase in order to gain deeper and wider understanding of the phenomenon.

5. CHAPTER FIVE: QUALITATIVE PHASE FINDINGS

5.1. Introduction

Chapter Four presented the quantitative data findings. Based on the implications drawn from the analysis of survey data in this previous chapter, interview questions were developed for discussion with target samples of support institution officials and early stage entrepreneurs. This chapter presents the results.

The analysis is presented in seven sections, reflecting respectively the themes that emerged from the interview data: Reasons for applicants to start a business, Support activities, Rationale for support, Impact of support activities, Challenges, Applicants' responsibility, and Suggestions/Recommendations. In order to protect the participants' identity, codes are used. For support institution officials, the code is S, followed by a number and their initial. As for entrepreneurs, E is used, followed by a number and their initial as well. Page numbers refer to the relevant interview transcriptions.

5.2. Reasons for applicants to start a business

The theme 'Reasons for applicants to start a business' represents the motivation expressed by entrepreneurs for starting up their project. The theme contributes in distinguishing between opportunity and necessity-driven entrepreneurship, and provides insight into the role played by support programmes in encouraging entrepreneurship. Codes under this theme are: Taking advantage of available support, Opportunity / Chance, and Out of necessity. Several participants gave more than one reason to start their project.

5.2.1. Taking advantage of available support

The first reason for applicants to start a business was taking advantage of the available support, in the context of Saudi Arabia. At the present time, due to the high unemployment rate and the remarkable support available, with many support institutions working in providing different types of support, it is suitable for applicants to take advantage of the available support. Five out of seven participants indicated that they were taking advantage of the available support. For example,

E4-AE (p.1), who intended to launch a mobile/computer application to help students in their studies, said his reason for starting up was: "… to take advantage of support available". Although **E7-NS** (p.1), who had started a small engineering firm, mentioned that he had started his business out of necessity, he noted that at the same time, he was taking advantage of support available. He further explained that:

> I got my civil engineering degree from King Abdulaziz University in Jeddah. I was looking for a job, but I waited for a long time. Then I was told about the National Entrepreneurship Institution (Riyadah) support programme in the closest city to my town and I applied for their programme. It was out of necessity to me. I have no other option, so I took advantage of the support available.

Another example of an early stage entrepreneur, **E6-SR** (p.1), who was supported to start up his law firm, shared his personal experience in the identification of the business opportunity. He also noted that he wanted to benefit from the support available from support institutions. In his words:

> I got a degree in law from King Saud University, and I worked several years in a law firm. From that experience, I was introduced to this opportunity. That happened when I met a person who used to come as a client, and we worked on a few projects together, and thought of starting up a new firm benefiting from the available support.

Similarly, another applicant who had the idea of starting up a training centre, **E5-YH** (p.1) also shared his personal experience. He began by saying:

> I already had the intention to start up my own training centre, as I worked as a teacher for more than 12 years and I identified an opportunity in the market by offering training services to teachers and students alongside. After noticing that there are support programmes provided by governmental institutions, I decided to take advantage of this opportunity and to apply for available support.

In addition, **E3-AT** (p.1), who intended to develop a mobile application for promoting tourism sites targeting the Arabic speaking population, explained:

> Therefore, I contacted BADIR, the Technology Incubator Programme, which is part of King Abdulaziz City for Science and Technology (KACST) to take the opportunity of their programme supporting technology-based start-ups.

It can be noticed that the two reasons for starting up a new business, i.e. taking advantage of the support available and taking an opportunity or a chance, were used interchangeably in more than one instance. Several entrepreneurs mentioned being university graduates with degrees; however, not being able to find a job and identifying the available support led to their taking advantage of it and submitting an application.

5.2.2. Opportunity/Chance

The second reason for applicants to start a business was taking opportunity of a gap identified in the market. Opportunities can be seen as recognition by the entrepreneur of a need for a particular product or service. By meeting such needs, the entrepreneur hopes to enter an area of activity where there is little or no competition, and to gain an advantage and make profits. A female academic and public university entrepreneurship trainer, **S4-NF** (p.3), noted that: "…some others start their own business because there is a good opportunity in the market." A few entrepreneurs indicated that they were setting up a business to exploit an opportunity, having noticed a gap in the market.

For example, **E2-KA** (p.1) commented on his experience of starting up a vehicle services centre. In his words:

> I identified an opportunity because in the town I was living in, there were not a lot of services related to vehicles, so I took the chance to open my business – a car wash centre - and have a large market share as I am one of the pioneers in this sector.

Thus, from these two interviews it may be suggested that opportunity has been created in the Saudi Arabian market, which entrepreneurs have identified and exploited in order to start up their projects.

5.2.3. Out of necessity

Another reason for applicants to start a business was out of necessity. **S4-NF** (p.3), an academic and entrepreneurship trainer who worked closely with applicants while providing them with training, mentioned that some applicants came to seek support because they had no other choice: "… others are starting their own business out of necessity…". For instance, **E7-NS** (p.1), who had started a small engineering firm, explained that after obtaining his civil engineering degree from King Abdulaziz University in Jeddah, he was looking for a job, but he waited for a long time without success. Hence, it was out of necessity that he applied for support to start up his own project, as he had no other option.

Although some applicants claimed that the reason to start up a business was out of necessity, this is not necessarily the case, as the applicants expected numerous opportunities to be offered to them. The applicants might have had other opportunities; however, they did not meet their expectations. Hence, they might consider themselves as applying for support to start up a business out of necessity. Thus, the idea of 'necessity' is relative, as some applicants saw themselves acting out of 'necessity' due to not finding a job that satisfied their aspirations. On the other hand, graduates may apply for jobs, but not be considered for the positions in question, for various reasons, including lack of experience and working skills, which forces them to consider other options and to submit applications to support institutions out of necessity.

5.3. Support activities

The theme 'Support activities' represents what the institutions' officials provide, and how, in terms of support to entrepreneurs. This includes the codes of finance, training, consulting, networking, mentoring, follow-up, facility provision, facilitation, promoting entrepreneurship, accessibility, and criteria. Frequently,

participants reported providing or receiving multiple kinds of support; however, they are reported separately, for clarity.

5.3.1. Finance

Financial support is provided by multiple institutions such as the General Authority for Small and Medium Enterprises (Monsha'at), the Social Development Bank (SDB), Human Resource Development Fund (HRDF) and The Saudi Commission for Tourism and National Heritage (SCTH). Financial support takes different forms, such as interest-free loans, reimbursement of fees, and a monthly allowance.

5.3.1.1. *Interest free loans*

The loans provided to applicants by numerous institutions, mainly, SDB, were interest-free. This might be viewed as a great advantage to applicants when starting their project as they were not required to pay an additional fee or interest; hence, they were not in debt when provided with the loan. Another advantage was that they did not have to re-pay the loan until two years after starting their business.

The importance of this type of financial support was mentioned by a number of supporters. For example, one official explained that his organisation would "support them [entrepreneurs] to the accelerator programme, by providing them with interest-free, financial support that could reach a support fund up to 300,000 Saudi Riyals". This was stated by **S5-GS** (p.4), a BADIR incubation support official who worked also as a consultant focusing on incubating technology-related projects. Another support provider from The Saudi Commission for Tourism and National Heritage (SCTH) mentioned that they provide "financial support to early stage entrepreneurs" **S8-HM** (p.1). The SCTH official also added that interest-free funding was available for many types of start-up projects within the area of tourism:

> We provide interest-free financial support for different types of tourism projects including hospitality, hotels, hostels and resorts, as well as other small projects such as antiques shops, travel agencies, tourism tours and guidance, outdoor trips and other tourism activities. (**S8-HM**, p.2)

An entrepreneur who benefited from support programmes indicated that "being supported by formal institutions who provided me with an interest-free loan, helped in reducing risk in my start-up project" (**E2-KA**, p.3). He went on to explain that this interest free loan helped him to start his project. For example, he was able to rent and equip premises for his mobile shop. In addition, he made a purchase order for an amount more than 200,000 Riyals. According to him, he benefited from the financial support and he used it towards starting up his project.

The interest-free loans provided by various institutions, such as Monsha'at and SDB, helped applicants to perform the initial steps towards starting up their projects, including renting premises, preparing them to serve their business category, and obtaining the needed materials and products. As the loans were interest free, the applicants were encouraged to pursue their ideas to the start-up point. This might confirm the providers' perceptions of the widely available financial support at the present time.

5.3.1.2. *Reimbursement of fees*

There are a number of fees associated with starting up a business, which are mainly paid to governmental agencies, such as the fees for licences and permits. One type of financial support provided is the reimbursement of such fees, through a refund programme. Monsha'at institute, representing entrepreneurial activities and SMEs in Saudi Arabia, provided this kind of financial support to early stage entrepreneurs. This was perceived by support providers to further assist applicants in terms of supporting and encouraging early stage entrepreneurs to start their own business. A support official representing Monsha'at indicated the following:

> Since we started, we aimed to build relationships with other institutions towards supporting entrepreneurial activities in the country. Furthermore, as a result of this relationship, the Saudi government, a few months back, allocated a certain amount of money (i.e. 12 billion Saudi Riyals) for an initiative to support entrepreneurs and SME owners through a refund programme, where all fees and charges they paid for governmental

administrative purposes will be refunded in cash to enhance their market activities. (**S7-SQ**, p.2)

Supporters mentioned more than once during the interviews that funding is currently widely available, as well as reimbursement of fees to early stage entrepreneurs. Consequently, depending on the type of the project, reimbursement of fees could be given based upon the applicants' needs. This was emphasised when a support provider who represented SCTH mentioned that "The authority provides reimbursement of fees as a financial support as long as entrepreneurs meet certain requirements and criteria for such a business opportunity" (**S8-HM**, p.4).

Although some support institutions did not directly provide financial support, they referred their applicants to other institutions, such as the SDB and Monsha'at: "Once the application is suitable, the applicant is referred to SDB or Monsha'at for reimbursement of fees as a kind of financial support" as explained by **S10-WD** (p.1) a Riyadah operation director.

The procedure of reimbursement of fees was beneficial to early stage entrepreneurs, as mentioned by support providers, who explained that different support institutions would refer their applicants to SDB and Monsha'at to benefit from this programme. This in turn, might show the level of collaboration between entrepreneurship support institutions, when working together to provide financial support to applicants.

5.3.1.3. *Monthly allowance*

Although four out of seven entrepreneurs using the financial support mentioned that the funding they received covered all the expenses needed to start up their projects, an additional form of financial support came as a monthly allowance for the entrepreneur and one additional worker in the firm. This might suggest the willingness of support providers to promote a favourable entrepreneurship environment for early stage entrepreneurs by enabling them to focus on their

businesses without worrying about their personal expenses during their start-up phase.

An example of such support is described in this quotation:

> After starting my project, I was referred to the Human Resource Development Fund (HRDF) institution, to start receiving a monthly allowance, for an amount of 3,000 Saudi Riyals, which was very convenient. By receiving this amount, a person in Saudi Arabia could manage to live and spend, so, it was pleasant to receive such income in addition to the financial support that helped me start selling in my store. Not only that, but, I learned that I would also be supported for my first employee to work for me by [HRDF] paying 50% of his or her monthly income, up to 2000 Saudi Riyals for up to two years. (**E1-FR**, p.3)

Similarly, **E6-SR** (p.2), who used the financial support to fund his law firm, emphasised that financial support was widely available when he put in his application to a support institution, i.e. Riyadah. He recounted the following:

> The next step, which was additional support that my Riyadah mentor referred me to, was the HRDF institution, where I started receiving additional funds in the form of a given (I do not have to pay it back) monthly allowance, for an amount of 3,000 Saudi Riyals, which was very convenient and gave me some room to keep my personal commitments going. What is even better, I was invited to hire a local employee and I would start receiving 50% of his or her monthly income from HRDF, up to 2000 Saudi Riyals, for up to two years. I hired a secretary right away to help me with the work, which started to grow. (**E6-SR**, p.2)

This provision of a monthly allowance for applicants to help them during the early stage of their project, as well as a monthly allowance for their first employee, was perceived well by entrepreneurs as it covered many of their personal and business expenses. It also encouraged the applicants to hire an additional employee to help

them with the business, especially when a certain amount of the employee's salary was paid by the support programme.

Overall, financial support came in three main formats: interest free loans, refunded fees, and monthly allowances. Although all three types of financial support have an important role in supporting early stage entrepreneurs, interest free loans was viewed to be the most important type of financial support, as it covered the costs of starting up, whereas the other two types of financial support were viewed to be more as an encouragement to early stage entrepreneurs.

5.3.2. Training

Training refers to explicit entrepreneurship training and education provided by support institutions. Training is provided by multiple institutions, such as Monsha'at, SDB, HRDF, SCTH, Riyadah and Dulani Business Centre. Undergoing training is part of the requirements of the support application and it is provided free of charge to applicants by support institutions.

The importance of training was mentioned by a number of supporters and entrepreneurs who referred to the provision of awareness workshops and activities to promote entrepreneurship. These workshops were "designed to deliver case studies about the market, the people and about the mentality of the people that are going to come" according to **S3-AO** (p.4). Another support provider, representing the Chamber of Commerce, indicated that they "provide training on how to develop a business idea, how to create a business plan, on marketing and how to run a start-up to be successful entrepreneurs" (**S6-Kh.Hk**, p.2). Some support providers indicated that the aim behind this training was to raise applicants' awareness about entrepreneurship.

S9-AH, who represents the Social Development Bank, which mainly focuses on providing financial support, but also provides other types of support such as training, explained that:

> SDB uses different ways to reach that goal. We provide workshops and training in this regard, and assign homework for applicants to push them to

> do their homework related to market research and business plan. Ultimately, we help them with it, but as part of the training, they should show some effort. (**S9-AH**, p.4)

Some training programmes were also directed to students in educational institutions as a support official **S9-AH** representing SDB, mentioned: "This initiative is promoted to universities, colleges and high school students, providing them with information about entrepreneurship and entrepreneurial activities" (**S9-AH**, p.3).

An example of how training support was provided to meet an identified need was mentioned by a Business Development Consultant at Nama'a AlMunawara Centre (NMC). He recalled how an entrepreneur had come to him because he had some financial problems. The entrepreneur had complained: "I do not know where the money goes". The official explained how he had responded:

> I met him and got more info about his business and sales transactions and how he keeps his account records safe and up to date. I then referred him to join a training course titled 'Finance for non-financial managers'. (**S13-MAZ**, p.4)

Later the consultant learned how this entrepreneur had benefited from such training.

Entrepreneurs, for their part, described taking a number of training and educational courses as part of their support package, and expressed appreciation of having free access to such programmes, as illustrated in this comment by **E2-KA** (p.2) who ran a vehicle services centre:

> In addition to what the HRDF institution provide, they also offer a variety of online learning such as especially programmes that cost a fair amount of money and they offer it to their members either for free or for a low fee. (**E2-KA**, p.2)

Other entrepreneurs, however, were concerned about the quality of the training programmes provided by the support institutions and they indicated that they only took the training because it was mandatory as a condition of their support

application. For example, **E6-SR** (p.2) who was running a law firm, shared his personal experience saying, "I applied to Riyadah first, and I took their introductory training course". He expressed his concerns about the quality of training provided saying, "It was not that good". Some other applicants indicated that they relied on personal development to meet their learning and skills improvement needs, as **E1-FR** (p.3) who was running a mobile store explained:

> Although I had little training in business start-ups before I put my application, the quality of training provided by Riyadah was poor, which in turn pushed me to develop myself with personal learning, through reading and watching business start-up channel, as well as entrepreneurial education on Youtube, for example. (**E1-FR**, p.3)

The quality of training was perceived differently by support providers and applicants, as some perceived it well, while others perceived it in a poor way, claiming it was not beneficial. This might be because of the variety of different training programmes in different regions of the kingdom. Some entrepreneurs might have received high quality training in institutions where well designed training programmes are delivered by experts, whereas other institutions might provide only the minimum and the basic, due to shortage of expert trainers.

5.3.3. Consulting

Consulting is the process of support providers giving advice to applicants. It is provided by multiple institutions such as Monsha'at, HRDF, SCTH, Riyadah and Dulani Business Centre. A number of support institution officials claimed to provide consultation services for free to applicants. Applicants have access to consulting at the beginning of their application and it continues to be provided to them in the early stage of starting up their business. A support official representing BADIR incubation stated, "We provide those legal and accountancy advising services for free to our applicants" (**S5-GS,** p.3). A representative from NMC also reported providing consultation on a variety of topics as they "drive the early stage entrepreneur on human resources related issues, legal issues and other processes to start up a business" (**S13-MAZ**, p.4).

Entrepreneurs used this type of service when applying to various institutions, as an early stage entrepreneur indicated: “I consulted experts from BADIR” **E4-AE** (p.1) for his IT application to help students. Another early stage entrepreneur, running a vehicle services centre, shared his personal experience of receiving advice that helped him to refine his business ideas at an early stage:

> I applied for the National Entrepreneurship Institution (Riyadah) support programme and I had an initial interview with them. After that, I was advised to revise my market and research plan as well as my feasibility study; so, basically, to re-submit my application to Riyadah. (**E2-KA**, p.1)

In other cases, consultation services were provided after starting, when the entrepreneur was experiencing difficulties. An example of the service provided during such hard times is **E7-NS**, who was running a small engineering firm, and mentioned that he was facing the risk of failure: “It is hard to manage. However, the Riyadah consultant offered some solutions and I am going to try some, as I hope they will work” (**E7-NS**, p.2).

The process of consulting is accessible by applicants to be able to gain advice of experts in a variety of decisions from the early stage of their start-up, such as developing the business idea, then in the later stages, choosing the location of their business, dealing with suppliers and customers and helping with sales transactions . The applicants continued to use this type of support until the end stages of starting up, in terms of facing the challenges of marketing and other related business issues.

5.3.4. Networking

Networking refers to support that helped to connect early stage entrepreneurs with suppliers and other stakeholders. Networking events were recently introduced by Monsha’at to the entrepreneurial environment in Saudi Arabia, where they organised annual and periodic events to bring together entrepreneurs with other governmental and private institutions. This enables early stage entrepreneurs to access information and resources from other business owners who have some experience in the industry. This might assist early stage entrepreneurs to gain easier

access to the market in terms of the time and cost, which would be reduced in comparison to an early stage entrepreneur without access to a similar network. This, therefore, might reduce the gap between applicants and the business market. Networking is provided by multiple institutions such as Monsha'at, Riyadah, SCTH, BADIR, Dulani Business Centre and Nama'a AlMunawara Centre (NMC). The availability and importance of networking support was mentioned by a number of supporters and entrepreneurs, who described how the support of the Saudi government towards entrepreneurship to enhance the local and international economy, was reflected in the holding of events that provided networking opportunities. For example, Monsha'at welcomed incubations, accelarators, and venture capitalists to its 'Global Venture Summit', which was held in October 2018 in Riyadh, reflecting the support of the Saudi government. It was pointed out that "these programmes are aligned with the 2030 plan of the country", as stated by **S11-RR** (p.2), a support institution official representing Monsha'at.

Such networking events bring entrepreneurs face to face with supporters and other officials from the government and private sectors to promote the level of entrepreneurship in the country. An example was given by a Monsha'at official, who stated that "the first official networking event in Saudi was sponsored by Monsha'at where over 400 entrepreneurs attended, and it took place in Jeddah on the west coast" (**S7-SQ**, p.3). As a pioneer in its field, the Saudi Commission for Tourism and National Heritage worked on developing "exhibitions and conference programmes, which would make us the first institution in Saudi that provides support for entrepreneurs and SMEs in this regard" (**S8-HM,** p.1).

An entrepreneur, running a mobile shop, who had benefited from a more individual-level type of networking support, explained how he had benefited:

> Riyadah helped me to connect to suppliers for my mobile phone products as well as with other store owners to benefit from their experience, gain from their knowledge and learn from their expertise. (**E1-FR**, p.3)

Another participant developing an IT project, who was supported by BADIR, indicated how he benefited from a networking event when he "attended a

conference for IT specialists, and it was a useful event where I met experts in the field whom I cannot find elsewhere." (**E4-AE**, p.2)

Networking has been brought under the umbrella of Monsha'at as an institution which oversees entrepreneurial activities in the country. It benefited entrepreneurs in many ways, such as introducing them to experts in the field, enabling them to gain easier access to data and information in the market. Therefore, it was favourably perceived by entrepreneurs.

5.3.5. Mentoring

A mentor is assigned to act as an advisor or a guide to early stage entrepreneurs. The mentor is responsible for providing support to start-up projects and giving feedback to the applicants of support programmes. Mentoring is provided by multiple institutions such as Monsha'at, HRDF, SCTH, Riyadah, NMC and Dulani Business Centre, and was mentioned by a number of supporters and entrepreneurs, who clarified that this type of support was of great importance to them all, the provider and the users.

The Head of AlMunawara Accelerator Programme at Nama'a AlMunawara Centre stated that mentoring is an "extremely important" type of support to early stage entrepreneurs, and that "the key [to success] is having really a good mentor" (**S3-AO**, p.4). Another support institution official, who represented Riyadah, and worked as an operation director, mentioned that mentors "support the applicants to choose the place or location to base their start up to save their time and money" (**S10-WD**, p.3). A user of mentoring support indicated that he was part of a group, among other applicants, that had "a mentor that guided the group and provided personal advice and consultation on issues that arose" (**E1-FR**, p.3). Another early stage entrepreneur, running an engineering firm, explained that a mentor was automatically allocated to him as part of his support package.

> Before getting the financial support, I got a number of training courses, then I was referred to the Social Development Bank (SDB) for receiving the fund.

> After that, a mentor from Riyadah was in contact with me in case I needed help. (**E7-NS**, p.1/2)

Mentorship takes an important role within the support process; it was provided by numerous institutions. Applicants are assigned a mentor from the beginning of their application process until the early stage of their start-up project. Mentors guide applicants by providing personal advices on issues and challenges they face during their start-up journey. Therefore, mentoring was perceived by providers as the key to success during the support process. It was also perceived well by early stage entrepreneurs, as it seems that it was beneficial to them.

5.3.6. Follow-up

The process of follow-up involves setting further meetings with an applicant in order to ensure the progress of the start-up. Follow-up of the young business, as a type of support, is provided by multiple institutions such as Monsha'at, SCTH, Riyadah, BADIR and Dulani Business Centre. The importance of follow-up was mentioned by a number of supporters and entrepreneurs, who clarified the process of following up with start-up projects.

A Riyadah institute official stated that early stage entrepreneurs "will have scheduled visits after they start, and mainly it is a visit every six months at his or her business" (**S1-FH**, p.8). A consultant and support provider from BADIR noted, "It is good to mention that we are still following up with projects that have been supported by this programme" (**S5-GS**, p.8). An official from SCTH mentioned in this regard:

> We will also follow up with them to ensure their success and provide any help while running their business and that can be done by our partners. (**S8-HM**, p.6)

An early stage entrepreneur stated that "A Riyadah mentor followed me up, as he was very helpful, supportive and willing to resolve any issues I am facing" (**E6-SR**, p.2). Two other participants mentioned receiving follow-up support from Riyadah and Dulani Business Centre.

Overall, follow-up as a type of support was well planned by supporters, who scheduled regular visits to early stage entrepreneurs. Some institutions also provided follow up appointments even after the scheduled support period. Similarly, this type of support was also perceived well by entrepreneurs, as it might be useful to them in terms of resolving issues that they faced.

5.3.7. Facility provision

Facility provision is the process of providing applicants with materials and services, such as office space, computer labs, equipment, logistics and other services like internet connection and printing services. Facility provision as a type of support is provided by a few institutions such as Monsha'at, BADIR, SCTH and Dulani Business Centre. In comparison, other institutions do not provide facility provision. Therefore, this type of support is very limited. The importance of facility provision was mentioned by a number of supporters and entrepreneurs, who reported that they provided or used this type of support.

Facility provision was presented as a major role of BADIR. A BADIR officer stated that among their primary services were "logistics, office spaces in different cities" and he went further to note the availability of "offices that offer free services like computers with an internet connection, as well as printing services" (**S5-GS**, p.2). In addition, a Dulani Business Centre official reported provision of specialist facilitates for a target group of clients:

> In regard to our micro food business owners, we aim to build up a central kitchen for them, where it would support them working in this kitchen, by providing all equipment to support them to cook and prepare their meals and food products to a restaurant standard. (**S2-NA**, p.5)

Other institutions helped with the marketing side of the start-up projects, such as SCTH, where an official mentioned:

> We provide support as well as helping in the marketing for the project and we cooperate to work side by side with early stage entrepreneurs to ensure

> their success by getting them involved in the tourism programmes and giving them the priority, so they can run the business. (**S8-HM**, p.4)

Another important initiative by Monsha'at was the 'Tomoh programme', which one of their officials described as follows:

> Early this year, 2018, we announced an initiative to provide a unique type of support to entrepreneurs and micro, small and medium enterprises in Saudi Arabia which is the 'Tomoh' programme. This integrated programme will allow MSMEs to use an online payment system with their sale transactions, which Monsha'at started by offering 500 online stores for entrepreneurs running these MSMEs. (**S11-RR**, p.1)

An early stage entrepreneur, developing a mobile application for educational purposes, explained how he had benefited from facility provision: "The institution I applied for was BADIR. I used their office space and their labs to develop my application…" (**E4-AE**, p.1).

Facility provision was not as common as some other types of support, as it was only provided by a limited number of providers, i.e. four out of 13 support institutions. However, it had helped a few entrepreneurs in the early stages of their projects, as they benefited from different facilities such as office space and computer labs. This might provide an area with a conducive environment to allow early stage entrepreneurs to develop their project. In addition, it might help support providers have greater knowledge and a deeper understanding of the products or services of the projects that they are supporting, as they are working close to each other.

5.3.8. Facilitation

The support institutions take the role of facilitators in assisting early stage entrepreneurs in pursuing their business start-up through working to ease procedures with other organisations, most often, governmental agencies, and sometimes, private organisations. Facilitation as a type of support is provided by multiple institutions such as Monsha'at, HRDF, SCTH, Riyadah and Dulani Business

Centre. The importance of facilitation was mentioned by a number of support providers.

The Head of AlMunawara Accelerator Programme reported providing facilitation support besides other kinds of support. He stated, “The framework of this centre works as providing different types of support to applicants until they have their products ready for marketing, helping them by giving them access to the market” (**S3-AO**, p.2/3). Another supporter mentioned that: “Monsha’at has revised and worked on changing a number of laws, namely, reducing the time and cost of starting a business” (**S4-NF**, p.4). A BADIR official mentioned, “We assist in finding financial aid and facilitating access to sources of financial support” (**S5-GS**, p.2), and gave an example of a referral: “I referred an entrepreneur, to them [the investors] and it was a win-win situation, when it was a successful story that started here in our incubator” (**S5-GS**, p.9).

A Monsha’t official explained how facilitation could also take the form of information provision:

> We try to cooperate with other organisations aiming to obtain data and make it publicly available to help entrepreneurs and SMEs to be able to use this data to make the right decision, as well as to help research activities in this field. (**S7-SQ**, p.1)

Riyadah’s manager of operations described facilitation through help with administrative procedures, though this did not include advice on what requirements had to be met:

> We can help with easing the process of acquiring of required permits, but it is the responsibility of the applicants to know what types of permits and papers to have in the first hand and from which agency. (**S10-WD**, p.4)

A NMC consultant similarly referred to help with bureaucratic procedures, explaining:

> We provide facilitation of governmental processes to entrepreneurs, and sometimes, you will find some start-up projects are struggling meeting the requirements of the government's agencies, so, we also help easing the process within the available boundaries. (**S13-MAZ**, p.4)

Overall, facilitation types of support aimed to ease the process of business start-up with other institutions. Surprisingly, however, entrepreneurs did not touch upon it during interviews. This may be because the small number of entrepreneurs interviewed were running businesses that did not qualify for or need specific forms of facilitation provided, or they may have been unaware of their availability, or simply considered such facilitation as less valuable to them than other forms of support.

5.3.9. Promoting entrepreneurship

Promoting entrepreneurship is the process of spreading awareness of the importance of entrepreneurial activities to the economy, the local communities and the country. Promoting entrepreneurship is a formal support activity provided by most institutions supporting entrepreneurship, such as Monsha'at, SDB, HRDF, SCTH, Riyadah, BADIR and Dulani Business Centre. The importance of promoting entrepreneurship and increasing the level of awareness about it was mentioned by a number of supporters who clarified that they aimed to provide such support and awareness. Surprisingly, however, the idea was not touched upon by entrepreneurs very often. Perhaps such activities had not touched them personally, since they already had ideas and ambitions for entrepreneurship. Only one applicant working in the retail industry mentioned his perspective on support institutions promoting entrepreneurial activities as a "positive practice helping to increase the living standards of Saudi citizens among all regions and cities" (**E1-FR**, p.2). This might show his perception on the importance of promoting entrepreneurial activities.

A Riyadah officer stated that: "Our main aim is spreading the awareness of start-ups and entrepreneurship and encouraging locals to start their own business" (**S1-FH**, p.3), while a Dulani official mentioned, "We focus on raising awareness of entrepreneurship" (**S2-NA**, p.1), and **S3-AO** mentioned: "I am the founder and the

head of AlMunawara Accelerator Programme and Entrepreneurship Centre (AAPEC), working towards supporting entrepreneurial activities at Madinah Province" (p.1). Also, **S6-Kh.Hk** said, "From my experience here in the Chamber of Commerce, we play a significant role in promoting awareness of entrepreneurship" (p.1) and he added, "We aim to raise the public awareness of the importance of entrepreneurship to the economy of Saudi Arabia" (p.2). A number of institutions used social media to promote entrepreneurship, according to a Riyadah officer (**S1-FH**, p.3), when he commented that spreading the awareness of start-ups and entrepreneurship has been carried out through different channels including social media, and he added that "recently, many other organisations and educational institutions have focused on raising this type of awareness among their communities." This seems to show that there were some efforts going on towards spreading the awareness of entrepreneurship by various means, such as participating in social events, where entrepreneurship would be promoted through delivering lectures, distributing flyers or having one to one sessions.

Most support institutions aimed to promote and spread awareness of entrepreneurship among Saudi society in order to improve living standards, create jobs and ultimately increase the GDP of the country.

The types of support discussed previously, i.e. finance, training, consulting, networking, mentoring, follow-up, facility provision, facilitation and promoting entrepreneurship, were the actual activities performed, while the next two kinds of support which will be addressed, i.e. accessibility and criteria, are considered conditions under which the activities were performed.

5.3.10. Accessibility

Accessibility is the extent to which institutions are easily reached by applicants through different means. The importance of accessibility was highlighted by a number of supporters and entrepreneurs, who explained that communication between support institutions and applicants could be easily maintained in a number of ways, including by phone, email, online and in person. Accessibility was a

condition that was claimed to be maintained by multiple institutions, such as Monsha'at, SDB, HRDF, SCTH, Riyadah and Dulani Business Centre.

As an example, a Riyadah institute official stated that:

> We are available for communications with entrepreneurs and new business owners as well as with new applicants. We are available to be contacted through emails, phone, in person and through our agents, mentors and consultants, who have regular visits to the start-ups that we support at our institution. (**S1-FH**, p.8)

Also, a Dulani Business Centre official mentioned that: "They could come in person or they can call or email us to meet with one of our advisors to guide them through the support that they need" (**S2-NA**, p.2). Another supporter from SCTH mentioned the online system that the organisation had created to provide easier access to applicants: "We have created an online portal that enables entrepreneurs to file a complaint or provide a comment and feedback" (**S8-HM**, p.2). This online system was perceived positively by applicants, two of whom showed their satisfaction with the system. One described how

> As part of a group of entrepreneurs, we were assigned to connect through an online portal, which was very convenient, to directly share our thoughts, knowledge, information and experiences together, with a support provider being among the group to comment or answer any questions (**E1-FR**, p.3)

The other applicant said, "The nice thing was that applicants were able to follow up with their application process via an online system to which we can connect from anywhere" (**E6-SR**, p.2).

Overall, support providers were aware of the importance of accessibility. In fact, officials were trying in various ways to achieve it. Three out of 13 support institutions stated that their institutions are accessible through different channels, i.e. online systems, email, phone and in person. In comparison, two out of seven entrepreneurs stated that they favoured the online system over other means, as they could easily access their applications at any time. Therefore, it might be seen

that online systems provided easier accessibility for applicants during their support process.

5.3.11. Criteria

The criteria are the standards set up by institutions that applicants should meet and the conditions the providers impose. Participants from support institutions such as Monsha'at, SDB, HRDF, SCTH, Riyadah and Dulani Business Centre, were asked if they had specific criteria that influenced their decision to accept or refuse an application for support. Several officials mentioned criteria that applicants should meet, although no entrepreneurs referred to such criteria.

A Riyadah institute official explained his organisation's preferences when screening applicants, focusing on age and education:

> Regarding age group, we prefer fresh graduates, but this is not a major issue, as the majority of the applicants are from the young age group (22-30). For the level of education, we do prefer university graduates over diploma graduates. Diploma graduates are preferred over high school graduates with the intention to encourage them to pursue their education. (**S1-FH**, p.10/11)

Other organisations focused on the project, more than the attributes of the applicant. For example, the Head of AlMunawara Accelerator Programme stated, "We only target entrepreneurs that have developed products to sell in the market" (**S3-AO**, p.2) while a Dulani Business Centre officer noted that: "The services of Dulani centre are provided to entrepreneurs based on their business age and size" and he further explained that:

> In terms of age of the business, we target businesses from starting point up to three years of running the start-up. For those early-stage entrepreneurs, we have a specific or a special training programme for them, to meet their needs and to provide them with the right support. Likewise, entrepreneurs running their businesses three years of age and above, they have a different programme designed to meet their needs. (**S2-NA**, p.2)

BADIR incubation mainly targeted IT-related start-ups. A representative stated, “We mainly target IT and technical projects, projects based on IT or technology or work within this field” (**S5-GS**, p.3). He added that “The business idea, including prototype of the product and teams of start-ups, is what we focus on while interviewing and processing support applications” (**S5-GS**, p.6) and he emphasised that “We also require that a prototype of the product must be in service and already fully operating. The product must be in full operation” (**S5-GS**, p.7). SCTH showed the most flexibility in their criteria for accepting applications: “These programmes are available for applicants from both genders, all age groups, all levels of education, and don’t require any prior experience or business training” (**S8-HM**, p.6).

Thus, it can be seen that organisations differed in their imposition of demographic and business criteria as conditions of support provision, which obviously would affect applicants’ choice of provider and likelihood of success in their search for support.

5.4. Rationale for support

The theme ‘Rationale for support’ addresses the ultimate goals behind the provision of support by institutions promoting entrepreneurship in Saudi Arabia. The codes included immediate goals such as Human resource skills (HR skills), Job creation, Competition, and Regional development, which were intended to provide benefit to society, and to lead to the intended ultimate outcome of increasing the GDP of the country. Most of these themes were raised by support providers only, although as will be seen, some entrepreneurs were aware of certain of these rationales.

5.4.1. Skills in HRM/HRD

Four out of 13 support institution officials from diverse institutions indicated that one aim of support mechanisms towards enhancing entrepreneurial activities in Saudi Arabia was to improve the skills, ability and expertise of the Saudi entrepreneurs. They also indicated that, in providing different types of support to their applicants, especially entrepreneurial education and training, they helped to

improve individuals' skills and to enhance their ability to grow their start-up projects. For example, **S5-GS** (p.2) from the BADIR programme stated that the organisation arranged "workshops on diverse topics to develop the client's individual skills." Moreover, **S8-HM** (p.3) added:

> Such a programme aims to develop the skills of early stage entrepreneurs starting up tourism businesses providing services and fulfilling the goal of SCTH to introduce the Saudi tourism sites, historical and famous landmarks as part of the tourism industry to the world.

The operation director of Riyadah stated, "The aim behind this [the support programme] is to build the entrepreneurs' skills and expertise for the benefit of the national economy in the long run" **S10-WD** (p.2). An official from Monsha'at declared the aim to "transfer knowledge, bring it home and build expertise." (**S11-RR**, p.4)

An early stage entrepreneur, expressing awareness of the benefit of training courses to the development of skills, said that:

> These training courses aim to provide locals with skills needed for the job market. A person can attend these courses and workshops to develop their CVs to be able to find an opportunity in the job market or to move up the scale while employed. (**E2-KA**, p.2)

As these experiences show, one of the objectives of support for entrepreneurship was to develop the skills of local citizens. Through the support available for entrepreneurial activities and start-up projects, early stage entrepreneurs were expected to build up their skills, to develop knowledge and to enhance expertise which should benefit their long-term career.

5.4.2. Job creation

Nine out of 13 support institution officials viewed the support for entrepreneurship as justified in part by the expected contribution to job creation in the country. This was one of the most frequently mentioned rationales for support. This shows the

importance attached to creating jobs to allow a greater number of opportunities within society.

Among the supporters who touched upon job creation as a rationale for providing support was the senior consultant of BADIR, who stated that: “This number of business start-ups should provide 3,600 jobs in the Saudi market, given that six jobs are created for each start-up” (**S5-GS**, p.4). A second support officer stated that one of the objectives of NMC was:

> To move to new economic fields based on creativity and innovation, increase the number of small and medium enterprises in them, create real jobs and provide local entrepreneurs and manpower with the knowledge and skills that lead them to lead this market. (**S13-MAZ**, p.2)

A Mohsha’at support official explained how entrepreneurial activities help in job creation:

> They help to provide more jobs and more opportunities for local communities in Saudi Arabia. They also help in empowering women and youth and contribute to the growth and diversity of the national economy. (**S11-RR**, p.4)

Early stage entrepreneurs also recognised this as an important aspect of the support rationale. This was expressed by a user of support from multiple institutions, when he stated:

> This ultimately will support the whole community by providing more job opportunities, expanding the local markets and expertise, as well as increasing their living standard. (**E1-FR**, p.4)

Overall, the rationale of creating jobs in Saudi Arabia by supporting entrepreneurial activities and enhancing start-up projects was frequently mentioned by support providers.

5.4.3. Competition

Five out of 13 support institution officials hoped that the provision of support for entrepreneurial activities in Saudi Arabia would ultimately increase the level of competition in the local market.

A support official touched upon the aspect of competition when he noted that support for entrepreneurial activities would help industries "to develop and grow to provide various products and to increase competition among the local community, which might help in increasing the quality level and providing more jobs" (**S1-FH**, p.8). Along the same line, a BADIR support officer explained, "This means, supporting micro and SMEs helps in providing a healthy and competitive environment for growing entrepreneurial activities…" (**S5-GS**, p.10).

A Mohsha'at support official reported the importance of entrepreneurial activities to competition:

> They [entrepreneurial projects] can significantly increase their contribution to exports faster than large corporations, allow exploration of new areas of innovation, enable building a strengthened supply chain, increase competitiveness and reduce costs for the end user. (**S11-RR**, p.4)

Overall, another of the reasons given for supporting entrepreneurship was to increase the number and range of businesses, products and services in the Saudi market in the hope that this would increase choice and drive down costs for customers, as well as promote innovation.

5.4.4. Regional development

Eleven out of 13 support institution officials indicated that support for entrepreneurship would ultimately contribute in the development of their regions and all other regions of Saudi Arabia. For example, a Namaa Al Munawwarah officer stated that NMC:

> …has endeavoured to establish an integrated system that includes a number of initiatives and projects that enable the pioneers and entrepreneurs to

> participate in and contribute to the economic and social development of the region through their projects and commercial establishments and to promote their growth and sustainability. (**S13-MAZ**, p.1)

A Riyadah officer, **S1-FH** stated, "We provide our services and support to all different cities and towns in all different regions of the Kingdom" (p.7). A Mohsha'at support official reporting the importance of entrepreneurial activities to regional development commented, "More importantly, [entrepreneurial projects] are critical to reduce poverty and contribute to rural and regional development" (**S11-RR**, p.4). Others, also, expressed their plan to expand beyond their regions, such as a BADIR consultant and Jeddah branch manager who mentioned:

> We aim to reach entrepreneurs in their home cities as we plan to expand our business hubs to more cities of the Kingdom and serve regions that are in need of such business centres. (**S5-GS**, p.3)

The support officer from the Saudi Commission for Tourism and National Heritage emphasised the importance of regional development when he stated that his organisation was "supposed to develop the tourism industry in all Saudi regions" (**S8-HM**, p.1). He also noted that their aim in providing such support was "to develop the urban heritage, the archaeological and handicrafts sectors".

Examples of regional development were brought up by officials indicating their support to start-up projects contributing to development of business focusing on regional products. A Riyadah officer mentioned an example of a specialist industry based on growing, harvesting and marketing dates (the palm tree fruit) indicating that "there is a huge industry based on dates, which is associated with a number of regions over Saudi Arabia, namely, Qaseem, Ahsa, Kharj and Madinah Munawarah regions" (**S1-FH**, p.8). Exploiting these industries through support for entrepreneurial activities was expected to increase revenues to the regions concerned, facilitating their development.

Another example of support for businesses involved in developing products associated with a specific place or region was given by the founder of the

AlMunawara Accelerator Programme, **S3-AO** (p.6), who drew attention to the opportunities available to entrepreneurs:

> In this region, namely, Madinah region, visitors come from around the globe to visit all religious sites, such as the Grand Mosque of Madinah. This in turn, makes markets busy day and night. At Madinah markets, you could see all different types of products, such as cultural clothing, antiques, accessories, souvenirs and gifts. In addition to that, Madinah has many different types of international foods and restaurants, which might be a potential market for entrepreneurs. Also, Madinah is known for its hotel industry and all other related industries and products attached to them.

S3-AO then indicated the aim of developing products that are in high demand by seasonal visitors to the region of Madinah.

Thus, by supporting entrepreneurship, the aim was to promote regional development all over Saudi Arabia by exploiting regional characteristics and produce to generate revenue.

5.4.5. Benefit to society

Nine out of 13 support institution officials perceived that support for entrepreneurial activities in Saudi Arabia would ultimately benefit local communities by improving opportunity, increasing prosperity and raising living standards. A Social Development Bank (SDB) official stated the aim of the SDB was to increase:

> …the living standards of families with young children, retired people, college students, people in their twenties and thirties of age to help them in facing the challenges of life by providing them with opportunities to start-up a business and to get good income. (**S9-AH**, p.2)

In addition, another official from Dulani Business Centre, focusing on providing entrepreneurial training to early stage entrepreneurs, addressed the issue of benefiting society through promoting entrepreneurial activities:

> Because we know if those entrepreneurs are being successful, lots of jobs will be created, the economy will keep going and society would benefit as a whole. (**S2-NA**, p.3)

Interestingly, an input from an early stage entrepreneur related to this aspect of the rationale for support viewed support institutions' efforts towards promoting entrepreneurial activities as "a positive practice helping to increase the living standards of Saudi citizens among all regions and cities" (**E1-FR**, p.2).

Indeed, comments by interviewed entrepreneurs suggested that such benefits were recognised by Saudi society, and reciprocated in social respect and support for entrepreneurs. Saudi society, as it was claimed, values new venture creation and views successful entrepreneurs as role models, as evidenced by several entrepreneurs. For example, **E1-FR**, p.6, expressed his positive views on Saudi society's welcoming new venture creation. Similarly, **E6-SR**, p.3, also mentioned that "Saudi society admires successful entrepreneurs". However, he also touched upon the negative aspect, that Saudi society criticizes entrepreneurial failures reflecting the pressure created by expectation, and the backlash when expectations are not met. Another example of Saudi society's positive view of innovative and creative thinking was expressed by an entrepreneur who had set up a training centre:

> Saudi society always admires entrepreneurs and businesspersons and views them as smart, intelligent and committed people. They look at them as successful members of the society. (**E5-YH**, p.3)

To summarize, by supporting new entrepreneurship projects, officials hoped to generate economic benefits for the whole society, and there were signs that this was perceived and appreciated by communities themselves.

5.4.6. GDP

The intended ultimate outcome after the individual and local level objectives have been achieved was said to be enhancing the national economy and working to increase the GDP of Saudi Arabia. Nine out of 13 support institution officials

expressed the view that the reason for supporting entrepreneurial activities was ultimately to support the national economy and help in increasing the GDP of the country. This, in fact, was the most frequently mentioned rationale for support. This shows awareness of the important role expected to be played by entrepreneurship in national economic planning.

One of the support institution officials who touched upon the importance of entrepreneurship to the GDP of Saudi Arabia was a Monsha't official, who stated:

> These are along with other initiatives that are being put into action towards the support of the entrepreneurial activities in the country to promote entrepreneurship and enhance the local economy. (**S7-SQ**, p.2)

In the same vein, **S8-HM** (p.5) mentioned:

> In my opinion, I think there is a huge impact on all types of industries in Saudi Arabia, as almost all organisations, governmental and private in Saudi, are cooperating and working together to boost the economy and support investors and entrepreneurs in the country, to reach the 2030 vision.

In addition, **S10-WD** (p.2) showed that: "The aim behind this is to build the entrepreneurs skills and expertise for the benefit of the national economy in the long run", and **S13-MAZ** (p.2) from NMC stated that one of the organisation's strategic objectives was to "increase the contribution of small and medium enterprises in the GDP of the Madinah area and create appropriate job opportunities". However, no input from entrepreneurs was received in relation to this aspect of the rationale for support.

Overall, the intended ultimate outcome after the other objectives have been achieved is to enhance the economy and increase the GDP of the country, as part of the government's long-term vision for economic development. While this theme focused on the rationale underlying the provision of support, in terms of expected benefits, the next theme concerns perceptions of actual impacts achieved so far.

5.5. Impact of support activities

The theme 'Impact of support activities' addresses the marked effect or influence of entrepreneurial support activities on Saudi Arabian society. This includes the codes Number of start-ups, Awareness, Regional coverage, Reducing risk, Empowerment of women and Credibility of providers.

5.5.1. Number of start-ups

Number of start-ups might indicate the impact of support activities, resulting in an increase in entrepreneurial activities and enhancing the local market. Examples of impact viewed in these numerical terms came from a variety of institutions. **S3-AO** (p.5) from NMC stated: "We have more than 350 entrepreneurial projects that are going and benefiting from experts in this accelerator programme." In addition, a public university supporter providing entrepreneurship education and focusing on training noted that: "This impact can be seen in the increasing numbers of start-up in the Kingdom" (**S4-NF**, p.1). Riyadah's operation director mentioned that: "Looking at the considerably low failure rate compared with the number of business start-ups, it seems that supported projects have a greater chance to succeed" (**S10-WD**, p.3).

The BADIR consultant reported the increasing number of start-ups as a result of BADIR's incubation programme, which specifically targets technology-related projects:

> As of now, we have in total 2,017 projects working under BADIR supervision. In this Jeddah office alone (Western region office). I am, currently, managing to work with 250 start-ups. (**S5-GS**, p.5)

He explained further that projects that had used the organisation's incubation support had developed and entered the market, were gaining profit and were looking to enter their growth stage soon:

> The number of projects that graduated from our incubator and joined the city with very good Return On Investment (ROI), the total revenue has been more than 35 million Saudi Riyals during the last five years. (**S5-GS**, p.8)

S5-GS (p.8) also stressed that the level of persistence of start-up projects had increased according to data he presented. In his words:

> …nowadays, at BADIR programme, speaking of post-2016, if we get 50 applicants, we would still reject 40 because they don't meet the rules of the requirements, however, of the remaining 10 applicants, 8 to 9 of them would persist. So instead of 3 people 5 years ago, now 8 would persist. (**S5-GS**, p.13)

However, while it may be true that institutional support has facilitated an increased number of start-ups, this is not the whole story. Entrepreneurs may be attracted to set up enterprises, and be helped in doing so, but a more realistic indicator of the impact of support may be whether entrepreneurs are able to maintain their operations through the critical early years and beyond. In this respect, entrepreneurs' experiences differ.

For example, **E1-FR** (p.6) expressed his view that his business was "doing well so far". He added that "although it is new, it is managed and running as expected." **E2-KA** (p.4) stated that his business "is doing much better than expected" and **E6-SR** (p.3) mentioned that his "law firm is doing very well" and he was "working with many clients and partners." They believed the support institutions helped them to achieve their goal of starting up their business. In contrast, others stated that support institutions did not help them achieve their goal. For example, **E3-AT** (p.5) mentioned that it was hard to manage his business, and it was running below expectation. **E5-YH** (p.3) expressed his view that his business performance was less than expected, while **E7-NS** (p.3) faced the risk of failure.

Overall, as a result of the impact of supporting entrepreneurial activities, an increased number of start-ups was noticeable based on the data given by support providers. Institution officials perceived the increasing number of start-ups as

reflecting the good impact of support programmes. However, entrepreneurs expressed different views, based on their perceptions of the early performance of their businesses, which led to their having different views on the effectiveness of the support provided.

5.5.2. Awareness

The level of awareness of the importance of entrepreneurial activities in the country might be a big indication of the impact of support activities. Seven out of 13 support officials touched upon this point, expressing their view of the impact of the support activities on raising the awareness level among entrepreneurs and local communities.

The BADIR consultant reported that: "the level of awareness has been increased and I would say it is highly increased since 2004 or about 15 years ago." (**S5-GS**, p.12). In addition, a Chamber of Commerce Chairperson explained in more detail the methods by which awareness-raising had been achieved:

> We used social media to do the marketing for such programmes, through entrepreneurs on Twitter, Facebook and Youtube. After that, I think that the awareness level has been highly increased as more people are getting involved and using services and the support provided. We believe at the Chamber of Commerce that, it is our responsibility to promote awareness of entrepreneurship and of the support available by different government and private institutions. (**S6-Kh.Hk**, p.4)

Riyadah's operation director commented on the greater awareness noticed among entrepreneurs:

> I think the level of awareness has increased from 10 years ago, as early stage entrepreneurs currently are thinking of the added value they could bring with their products/services to the market. Also, they are aware of their competitive advantage over others in the same field and it's still developing in a promising way. Market rules are also being understood by entrepreneurs these days. (**S10-WD**, p.6)

The head of an innovation and entrepreneurship centre at a public university thought such awareness extended to the wider society. He noted, "The people of Saudi Arabia have become more open minded and more aware of the concept of entrepreneurship" **S12-SBN** (p.1). Lastly, **S13-MAZ** (p.3) a NMC officer reported:

> We have noticed that the number of applicants coming to this support institutes has increased dramatically. Statistics show that number of applicants has increasing every quarter of a year since the first quarter of 2015.

Overall, increased awareness of the importance of entrepreneurship in the country, both among potential entrepreneurs and in society as a whole, was cited as important evidence of the impact of support activities.

5.5.3. Regional coverage

Regional coverage refers to the availability of entrepreneurial support events and services in as many regions of the country as possible. Several support officials indicated, as evidence of the impact of the support activities, that their regional coverage was spreading.

A SCTH support official, **S8-HM** (p.6), gave an example of the different programmes that are targeting the spread of investment in the tourism industry in all regions of Saudi Arabia:

> SCTH has different sectors, and each has its support programme. For example, a programme focuses on providing support to business start-up projects on all Saudi regions aiming to promote tourism in different regions of the Kingdom.

A Monsha'at support official emphasised the importance of equality in terms of all regions getting the same level of support, although small cities and towns were slightly prioritized: "All regions are equally supported, and we give priority to small cities and towns in the country" (**S11-RR**, p.5) and entrepreneurial education is spreading, as a university director of an entrepreneurship centre mentioned: "In terms of university innovation and entrepreneurship centres, they have started to

be available more at public universities in different regions" (**S12-SBN**, p.3). In the same vein, NMC official **S13-MAZ** (p.5) added: "This type of training and entrepreneurial education is new to the country and it is building a new type of entrepreneurial culture among society, especially in the Madinah region."

Overall, the regional coverage of support activities indicated the impact of such events, resulting in effective programmes, from the perspective of providers.

5.5.4. Reducing risk

Providing entrepreneurial support plays a part in reducing risk for applicants in starting up their business. This allows more entrepreneurial activities to occur and succeed in the market. The majority of supporters agreed that support activities reduced the risk of business start-ups for early stage entrepreneurs in Saudi Arabia.

For example, a Monsha'at support official referred to the 'Refund Programme' whereby entrepreneurs are reimbursed the fees they paid earlier. "Such an initiative aims to reduce the risk to early stage entrepreneurs and SMEs by paying back some of the costs that went to the government agencies earlier" (**S7-SQ**, p.2). Another support official from Monsha'at stated in this regard:

> This programme aims to reduce some of the costs and risks to early stage entrepreneurs while in their start-up phase, to enhance their presence at the market, and therefore, to increase their contribution to the country GDP, and to create new jobs for local communities. (**S11-RR**, p.1)

In the same vein, the operation director of Riyadah noted an initiative being launched under the networking support activities, explaining that how current entrepreneurs were linked with early stage entrepreneurs "by providing incentives to current entrepreneurs to visit and provide advice to early stage entrepreneurs and perhaps connect them to their network." He added that "by doing so, the early stage entrepreneurs would feel secure and gain advice from someone in the same position" (**S10-WD**, p.3).

Feedback from applicants to the NMC indicates how convenient they found it to visit Namaa Almunawara Business Centre to get their official and governmental

paperwork completed in a supportive environment. The NMC consultant stated that such support "reduced the risk of visiting an official organisation, eliminate stress and anxiety." (**S13-MAZ**, p.4). As an example, he noted how the NMC helped in reducing the fear and risk of entrepreneurs going through the trouble of visiting different governmental agencies in different locations, as they now need only visit one place to get all the procedures completed. In this regard, he said:

> …entrepreneurs come to the NMC, and they start processing their legal and governmental work here, as they do not need to go anywhere else. For instance, from here, they can get their 'Commercial Registration', get the Labour Office certificate, apply for the Social Security system, and enrol the employees under the firm registration file. So, all governmental processes can be done in a very flexible and easy way. Also, they can get all info and can seek consultation; with no fear of risk; with our mentors at the same place. (**S13-MAZ**, p.5)

Entrepreneurs also felt happy about the services and type of support they received, which reduced the risk of starting up their projects. **E1-FR** (p.5) mentioned that "sponsoring of support institutions provided a very low risk opportunity for me as an entrepreneur to start an added value business." He also added, "Through a feasibility study, and market research, the level of risk decreased for me, encouraging me to start up my project" (**E1-FR**, p.5). Another early stage entrepreneur noted that: "Providing such support helped me in achieving my goal of opening my own business in such a quick and low-risk way" (**E2-KA**, p.2). Similarly, **E2-KA** (p.3) stated: "Being supported by formal institutions helped in reducing the risk of my project" and finally, **E6-SR** (p.3) said, "On top of that, my application was approved for support. I think all of that helped to reduce the risk of my business start-up."

Overall, the provision of entrepreneurial support played a part in reducing financial risk for applicants, as well as the risk of failure due to inexperience. This was highlighted by six out of 13 support providers and three out of seven

entrepreneurs, showing risk reduction to be an important impact of support activities for early stage entrepreneurs in Saudi Arabia.

5.5.5. Empowerment of women

Another impact of support activities was said to be the facilitation of opportunity for women, empowering them in starting up a new business that would confer economic independence, and enhancing their status as active members of society.

Evidence of this was seen in the reports of the support officials, such as **S1-FH** (p.3) who noted the effort made to empower women in Saudi society by supporting them to start their own businesses, through allocating a number of facilities to provide support especially for women: "Our branches include 26 branches working with men and 13 branches working with women." In addition, he added that his organisation would like to see more female applicants in their support system due to the gender imbalance in business in the country. He emphasized that "women in Saudi Arabia, recently, have been favoured in entrepreneurship applications" (p.4). Moreover, one of the support providers, a woman, suggested that there are increasing opportunities for female entrepreneurs in Saudi Arabia. In this regard, a BADIR support officer, **S5-GS** (p.8) commented:

> We have noticed that, during the last few years, applications from women have been increasing. Although we are happy about it, to diversify our applicants, business ideas, and to fulfil the country's objective to empower women, we need to carefully evaluate their applications in order to grant them support.

A Chamber of Commerce chairperson explained that business support was provided to both genders: "Well, we mainly focus on providing training, workshops and consultation to entrepreneurs and SME owners as well as to businessmen and women" (**S6-Kh.Hk**, p.1). A university institute of entrepreneurship director, **S12-SBN** (p.3) commented on the equal approach to both genders when targeting applicants:

> As I mentioned at the beginning of this interview, we target students, researchers, alumni and staff of the university (both males and females) to use our support system. We don't have restrictions over who should use our services, as we are also open to members of the local community.

NMC officer **S13-MAZ** (p.5) provided data about the number of applicants including both genders, which illustrates the availability of opportunity to women as well as men:

> Since last year, we have had 1,216 entrepreneurs (males and females) who are approved to register with our business support centre to benefit from its support, including facilitation and consultation support types.

Overall, the aspect of empowerment of women was frequently mentioned as an impact of support activities, claimed by seven out of 13 support providers, that suggesting entrepreneurship support increases opportunities for women to gain power and control over their own lives and career decisions.

5.5.6. Credibility of providers

Credibility of providers is the quality of the institutions being trusted and believed in, for instance, when individuals confidently apply to receive support for their projects. One impact of support activities was perceived to be the credibility earned by support providers, due to the good reputation of support programmes among applicants. For example, a BADIR support official (**S5-GS**, p.1) represented himself to the researcher during the interview as a trainer accredited by the Information Technology Infrastructure Library (ITIL), (a globally renowned training programme for IT service management) who worked as a Business Development Consultant. This accreditation gave some credibility to the person himself, as well as to the institution providing support to entrepreneurs.

A Riyadha institute official emphasised that support programmes are provided by educated and skilled staff, which allows applicants to receive a high standard of services; as **S1-FH** (p.2) stated:

> In this centre, applicants would get a package of programmes that would help them during their journey, from having their business idea shaped and applicable for practice, until getting their feasibility study and business plan ready towards having their business start-up running. These processes are supervised and monitored by experienced staff from this partnership.

In addition, Dulani Business Centre are hiring staff with mentoring experience to be able to provide their services to their applicants. **S2-NA** (p.3) stated, "Those performing the mentor role in Dulani centre, like most of our mentors, are business experienced people" and indicated that they "adopt the best practices to provide up-to-date materials in business training." (**S2-NA**, p.14).

An early stage entrepreneur noted the credibility of the institution of his choice, when communicating with other organisations while in the process of his business start-up. He stated, "I think one important factor that I used as a support of BADIR is their credibility as an official support institution when dealing and communicating with other government and private agencies." (**E3-AT**, p.2)

Overall, the credibility of support institutions, based on their expertise and professionalism, was perceived well by both providers and entrepreneurs.

5.6. Challenges

The theme 'Challenges' represents difficulties and obstacles faced by supporters and/or entrepreneurs during the process of providing and using entrepreneurial support. This theme is divided into three sub-themes: challenges facing entrepreneurs in doing business, challenges facing support providers in performing their function and challenges facing both entrepreneurs and support providers. In turn, these sub-themes include various codes, which are indicated below for each sub-theme.

5.6.1. Challenges for entrepreneurs

This sub-theme addressed the challenges facing entrepreneurs in doing business and accessing support. These challenges include Lack of access to finance, Bureaucracy, Strictness, Lack of access to training and education, Insufficient

support, Disagreement, Marketing / promotion, and Finding employees. The last two codes were problems related to the business, whereas, the other codes were problems related to the support.

5.6.1.1. *Lack of access to finance*

Lack of access to finance occurs when applicants are not able to receive funds to be able to start up. This was not perceived as a major challenge to applicants, as finance is widely available through many different support programmes in Saudi Arabia. Monsha'at's support director stated that the reason behind establishing that institution was "to help overcome such obstacles". However, when he added that "Our team of researchers collected data on such difficulties", he mentioned "Obtaining financial support" among those difficulties. **S11-RR** (p.2). In this regard, **S2-NA** (p.12) noted:

> Therefore, three main obstacles, challenges or problems facing entrepreneurs and business owners are, the governmental processes, secondly, knowledge and skills that would enable entrepreneurs to start their own business, and the last challenge was, access to finance.

Interestingly, entrepreneurs did not focus on this challenge during their interviews. Overall, lack of finance was not perceived as a major challenge to entrepreneurs. Moreover, supporters emphasised the availability of financial support to applicants during the present time.

5.6.1.2. *Bureaucracy*

Bureaucracy was considered a big challenge to entrepreneurs. This is due to the long governmental procedures which affect the processes of business start-up and the ability of providers to carry on to the next level of support. For example, a BADIR consultant and branch manager addressed this issue: "… there are a lot of challenges in this regard, where different governmental agencies require for people to meet different conditions…" (**S5-GS**, p.11). Also, a Riyadah support official, **S10-WD** (p.4) noted that: "…we face several challenges, including governmental

agencies' bureaucracy in granting licences and permits in certain areas and regions."

Entrepreneurs also expressed their view on the challenge posed by the bureaucratic procedure while applying for licences. For example, **E3-AT** (p.2) stated:

> Challenges were there all the way. Starting with government agencies such as the Ministry of Commerce or the Saudi Commission for Tourism & National Heritage, when obtaining licences as it took a long time to approve my request. There were some difficulties setting up a contract for my payment system with banks.

Other supporters claimed that some new applicants do not have the right information, for example, **S1-FH** (p.10) mentioned:

> Some entrepreneurs I met who did not apply to our institution or to others to obtain support expressed that their reason for not doing so is that they thought the application for support is very complicated and very difficult.

Overall, providers and entrepreneurs perceived bureaucracy as a major challenge, either in pursuing the provider support function or in start-up processes.

5.6.1.3. *Strictness*

Entrepreneurs faced challenges from several government and private institutions, which they said were very strict during the process of providing entrepreneurial support. This made getting support harder and delayed the goal of enhancing entrepreneurial activities in the Kingdom. Challenges in this matter include refusing funding applications or a business licence. In this regard, the Riyadah operation director noted that: "there are some financial agencies that do not cooperate with applicants when granting funds, such as local commercial banks…" (**S10-WD**, p.4). Overall, strictness was perceived as a challenge facing entrepreneurs, as some providers were rigid in their eligibility criteria.

5.6.1.4. *Lack of access to training and education*

Lack of access to training and education occurs when applicants are not able to find, afford or be accepted for entrepreneurial training. A researcher and entrepreneurship centre director, **S12-SBN** (p.2) emphasised this point: "Insufficient government support and lack of entrepreneurial training are the main obstacles that face entrepreneurs and SME owners."

To overcome this obstacle, Monsha'at institution was created to expand entrepreneurial training and education, according to **S11-RR** (p.2). Another support official from Dulani Business Centre, **S2-NA** (p.7), indicated that the problem was not simply availability, but that, even if programmes were available, early stage entrepreneurs "couldn't afford to pay for training, mentoring or even networking events." The Dulani Business Centre official added that there are limited numbers of entrepreneurial educational programmes and experts at the present time.

The majority of entrepreneurs interviewed, six out of seven, claimed that entrepreneurial education is insufficient. For example, **E1-FR** (p.5) who was running a retail firm, mentioned that, "I don't think it [university and college education on entrepreneurship] is sufficient in any way." Similarly, another applicant (**E2-KA**, p.4), who was running a car services centre claimed that he did not know it existed. Moreover, **E7-NS** (p.3), who was starting a small engineering firm mentioned, "I think entrepreneurship education and training is currently insufficient, and the advisory support is very weak, if it exists." This might show the level of challenge facing entrepreneurs in terms of lacking access to entrepreneurial training and education.

Overall, lack of training and education was perceived by providers and entrepreneurs as a challenge facing early stage start-ups. There might be several reasons causing lack of entrepreneurial training and education. One reason could be due to the limited number of entrepreneurial educational programmes and expertise in the country. Another reason might be due to the fact that such programmes were only relatively recently launched in the entrepreneurial environment of Saudi Arabia, so programmes may not yet be fully developed.

5.6.1.5. *Insufficient support*

Insufficient support refers to the perception of some applicants that they did not receive adequate from support providers. A few entrepreneurs and supporters expressed their views on this type of challenge. A public university researcher and entrepreneurship centre director mentioned that "research has shown that difficulties in obtaining financial support, bureaucracy, lack of credit options, insufficient government support." (**S12-SBN**, p.2) Similarly, a Monsha'at support director (**S11-RR**, p.2) stated that the reason behind establishing his institution was "to help overcome such obstacles" then he added that "Our team of researchers collected data on such difficulties" and he mentioned "insufficient government support" among them.

A user of support, **E4-AE** (p.1), an early stage entrepreneur, expressed his views on this challenge and shared his personal experience while going through the process of the application. He stated:

> I was not able to proceed with my application due to a few challenges. I did not get the right technical support from BADIR, and I had to leave due to time constraints. They were supportive at the beginning but later their support to me was insufficient.

He further added that this was his "first application" and he was not allowed to pursue the programme.

Overall, some of the supporters and entrepreneurs interviewed perceived the challenge of insufficient support negatively.

5.6.1.6. *Disagreement*

This type of challenge to applicants occurs when the supporters and applicants cannot reach an agreement on the support contract. Often the rejection of an application by the institution occurs because the criteria are not met. However, in some cases a disagreement on terms and conditions set by support institutions, might come from applicants rather than support providers. This issue was raised by

only one applicant, entrepreneur **E3-AT** (p.2). He was designing an IT related project i.e. a tourism application that targeted the Arabic speaking population; but he did not reach an agreement with the support institution, BADIR. As he noted, "I was happy when dealing with BADIR. However, there were times when things did not go right or there was disagreement with the advisor of the programme."

Although it is not common, it may occur that an applicant's withdrawal from the programme is due to a disagreement on terms and conditions of the support institutions. This challenge to entrepreneurs is more likely for applicants who are highly confident about their start-up projects and determined to pursue their business ideas in the way that they prefer, which may be inconsistent with the advice or the rules of the support institution.

5.6.1.7. *Marketing / promotion*

This challenge seemed to affect entrepreneurs in their efforts to publicize their businesses and attract custom. An early stage entrepreneur who was designing a tourism mobile application, **E3-AT** (p.2) addressed the difficulties that he faced in promoting his business during the start-up phase: "The real challenge I faced was when I launched my application, as I was struggling to tell people about it, and then to convince them to use it. I am still facing this challenge." In addition, another entrepreneur, **E5-YH** (p.4) described his difficulty in attracting custom for his newly-launched training centre:

> Personally, I have made an immense effort to promote my programme to those who have a slight interest, but as there is no real need pushing trainees to attend the course, interested people would hold back when learning about details associated with training, including cost and fees.

Overall, marketing/ promotion was perceived as a challenge to entrepreneurs during their start-up phase and was mentioned by three out of seven entrepreneurs. Marketing and promotion are not currently being focused on by supporters; however, this is something they could help with in the future.

5.6.1.8. *Finding employees*

Finding employees is also a challenge that seems to affect early stage entrepreneurs. Entrepreneurs faced similar challenges when it comes to selection of staff. An early stage entrepreneur who was running a vehicle services centre, **E2-KA** (p.2) expressed his view on the difficult process of recruitment:

> Some of the challenges were looking for employees because nobody was willing to work in such a hard job that required physical strength. Also, there were not many people looking for jobs in this small town.

Overall, finding employees can be a challenge to start-up firms. Some providers might help with finding employees to work for early stage entrepreneurs. In particular, HRDF helps by offering jobs to locals, which in turn might provide start-ups with the needed skills.

5.6.2. Challenges for support providers

This sub-theme addressed the challenges facing support providers in performing their function. These challenges include Lack of data, Lack of awareness, Unprepared applicants, Impatience and Non-participation by applicants.

5.6.2.1. *Lack of data*

Data availability was considered a challenge facing support providers in Saudi Arabia. Several supporters expressed their views of this challenge. As a public university researcher and trainer of entrepreneurship, **S4-NF** (p.2) stated, "Although I am interested in SMEs and entrepreneurship research, I am facing a challenge with the scarcity of data about SMEs and entrepreneurial activities, to do further research." She added that "there is a lack of secondary data regarding SMEs and entrepreneurship in the MENA region overall. In particular, there is a severe lack of Arabic references regarding entrepreneurship and SMEs." Similarly, another researcher and entrepreneurship centre director, **S12-SBN** (p.2) mentioned that: "…challenges that we face at this academic centre, are the lack of data on innovation and entrepreneurial activities in Saudi Arabia, as well as the lack of

experts in the field." This might explain the limited availability of academic papers and publically available reports on entrepreneurial activities in the country.

A number of supporters claimed that they did not have access to data, for example, **S9-AH** (p.4) stated that: "Information and accurate data about the numbers of the entrepreneurs who have used this support is not available to me at the present time, so I need to wait for the next report to come out", and others mentioned that they lack resources, for example, S2-NA (p.6).

Overall, in the area of entrepreneurship, data availability is considered a challenge facing support providers. Support officials emphasised this issue to be an obstacle to academic institutions researching in the field of entrepreneurship. This was mentioned as a challenge to four out of 13 support providers.

5.6.2.2. *Lack of awareness of support to entrepreneurship*

Entrepreneurs' lack of awareness of business, and of the support available, was considered to be a challenge that faced support providers while performing their function. A public university researcher and trainer in entrepreneurship addressed several issues in regard the lack of awareness as a challenge. She explained:

> Lack of awareness regarding the institutional support might deter potential entrepreneurs from starting their business, or even cause them to miss important support opportunities such as education and training that might influence their business. (**S4-NF**, p.3)

Similarly, another support officer representing the Social Development Bank, **S9-AH** (p.3) added:

> We face issues with the level of awareness of support to entrepreneurship among the applicants, especially fresh graduates, whom have just graduated from universities and colleges. They tend to have a low level of awareness about entrepreneurship and business start-up, for example, when it comes to rules and regulations, either with the SDB or with other governmental agencies and institutions.

Overall, lack of awareness of support to entrepreneurship was perceived by providers to be a major issue while performing their function and four providers mentioned it six different times.

5.6.2.3. *Unprepared applicants*

In the view of supporters, a challenge that affected their provision of support to early stage entrepreneurs was that applicants had not done the necessity preparation before applying, such as being clear about their business idea, having a market research plan, enough information about their market and the level of readiness to start-up their project.

A support institution official, **S9-AH** (p.4/5) elaborated on this issue:

> Also, the level of readiness of applicants trying to start their own business. What I want to say here, is that some of the applicants are not ready to start their own business. Just because they have an idea does not mean that they are ready to start a business. Some of them even come with no business idea and not much information about the market. They did not do their market research, whereas they need to know about the market prices, products, suppliers and other information about the market. They need to search and know all details about the market that they are entering. That was some of the challenges that we faced…

Some other supporters attributed some start-up failures to the lack of preparation from entrepreneurs' side, in terms of research, business idea and other aspects of business start-ups. For instance, **S2-NA** (p.8) said, "Unfortunately, because of not enough preparation, they fail and run out of business." Similarly, **S6-Kh.Hk** (p.3) noted, "Also, some of the early stage entrepreneurs come with not enough research about what they want to do and how to do it."

Overall, failure of applicants to prepare properly before applying for support was perceived by a number of supporters as an issue that affected the mechanism of support. This could result in the applicant not being eligible for support, create

difficulty in targeting support appropriately and result in applicants being unable to make a success of their new ventures.

5.6.2.4. *Impatience*

Support providers faced a challenge regarding impatient applicants, in the sense of having unrealistic expectations about the time and effort needed to start up a business, even with support. This issue was perceived by two providers in three different incidents, as a challenge that they faced from time to time. For example, a Riyadah branch manager expressed his belief that early stage entrepreneurs "need to be patient when running the business and managing different aspects of start-ups" **S1-FH** (p.5). In addition, **S6-Kh.Hk** (p.3) addressed the issue by comparing the present situation to the obstacles which occurred 10 years ago, implying that today's entrepreneurs should be more appreciative of the opportunities available:

> Challenges are always going to be there. However, if they [entrepreneurs / applicants for support] could compare the challenges and obstacles these days to the ones 10 years ago, they would realize how lucky they are. We all need to work hard to get what we aim for, and that is for sure for entrepreneurs, who need to be patient.

However, some applicants viewed the processes involved in accessing and starting support as time-consuming, as they "needed to make lots of visits to different offices to get the service done" **E5-YH** (p.2).

Thus, the challenge of impatience was viewed differently by entrepreneurs and support institutions. The former wanted a quick, easy start-up process, while the latter thought applicants' expectations were sometimes unrealistic.

5.6.2.5. *Non-participation*

Support providers also faced another challenge regarding non-participation of some applicant, who, having applied for support, did not engage actively in the programmes provided. This issue was perceived by two providers, as a challenge that they faced from time to time. An example of this is **S2-NA** (p.13), a support official from Dulani Business Centre, who explained:

> In terms of the applicants, at our institution specifically, a number of applicants would not show up later or maybe withdraw their applications due to, I guess, not being serious enough to start their own business, and I guess, this is the reason that the majority of people would withdraw their application for.

In addition, Riyadah operation director gave an example with some statistics when he mentioned:

> For example, when we got 40 applicants for our introductory session, we are only left with half of them. This means 50% would not show up again after learning about the processes of support. We mainly explain the processes and how serious they are and the time frame within which they would get their project supported. (**S10-WD**, p.5)

Thus, failure of applicants to pursue their application or cooperate with the programme was a challenge noted by several support institutions. The comment by **S10-WD**, quoted above, suggests this might in part be related to the previously noted challenge of impatience, with applicants dropping out when they realize just what is involved.

5.6.3. Challenges for entrepreneurs and support providers

This sub-theme addresses a challenge facing both entrepreneurs in doing business and support providers in performing their function, that is, Institutions working in isolation from others, leading to fragmentation of support provision.

5.6.3.1. *Institutions working in isolation from others*

This aspect of challenge, with institutions working in isolation from others, was perceived to be affecting both entrepreneurs and support providers. Problems can occur due to the poor level of communication between support organisations as well as between them and other governmental and private agencies. Only two support officials and three entrepreneurs touched upon this aspect of challenge facing supporters and entrepreneurs. Among them was a Monsha'at official, **S7-SQ** (p.3), who explained how such issues affected the support programme:

> Lots of challenges that we face are the large number of SMEs in Saudi Arabia that we should be able to deal with their needs and to provide support in many different aspects in business, the level of communications between institutions, the response rate of other institutions and SMEs to some of our requests and the level of cooperation and the speed of responses.

Similarly, **S2-NA**, p.11, expressed the current situation of institutions working in isolation from others:

> We need more than just talk. We need to collaborate and to work together to reach and get to our aim and fulfil our objectives, as it seems to me that the situation is most agencies or institutions are working in isolation from each other. (**S2-NA**, p.11)

Three out of seven applicants mentioned this aspect of challenge facing entrepreneurs. For example, E4-AE (p.2) explained how this issue affected the process of obtaining licences:

> I think one other challenge was that institutions that I dealt with to obtain licences were working in isolation of others.

Similarly, E3-AT (p.3) claimed "I got the feeling that they [institutions] were working in isolation from each other." Lastly, E5-YH (p.2) explained the challenging process whereby he "needed to make lots of visits to different offices to get the service done." This might also give an indication that some institutions are working in isolation from each other.

Thus, the challenge of institutions working in isolation from each other might cause delay in the application process of early stage entrepreneurs. This might also go further to applications being declined, or applicants withdrawing their application for support due to repeated postponement.

5.7. Applicants' responsibility

A common theme in support providers' interviews was the expectation that, as a condition of receiving support, the onus lay on applicants to have certain knowledge and to have given sufficient thought to the proposed business and their

support applications. The theme 'Applicants' responsibility' addressed the tasks that were expected to have been done by applicants before they submitted their applications to the support institutions. These include the Business idea, Research, Choice of institution and Eligibility.

5.7.1. *Business idea*

A business idea is considered to be a major element of the support application. It is very important for the early stage entrepreneurs to have a clear business idea that has potential to become a real project in the market. Applicants were expected to go to the support providers with their business idea and information on how to put that idea into practice.

A Riyadah institute official, **S1-FH** (p.12) addressed the issue of applicants' responsibility and the role of the business idea in the decision to grant support. He stated in this regard:

> The main issue is the business idea and start-up plan being at a sensible level. The factors that influence the decision are a good business idea, the business plan and readiness of entrepreneurs to start up.

A Chamber of Commerce support official, **S6-Kh.Hk** (p.1) shared his personal experience of this when he stated, "Personally, I know many people who came with a clear business idea and strategic business plan, who benefited from such support programmes."

Early stage entrepreneurs on the other hand, showed their awareness of the importance of the business idea. When mentioning their applications, the first thing that came to their minds was their business idea. For example, **E1-FR** (p.1) running a retail firm mentioned that, "the idea of my start-up project was according to the market needs and to the availability of the support programme at the time." He added that, "adopting this business idea helped my application to go through and to get approved for financial support, as well as for other kinds of support, such as training, consulting and networking."

Another applicant running a training centre, **E5-YH** (p.1) mentioned that his business idea was not novel, but he targeted a niche market in his area. He explained:

> My business idea is already there, but my plan was to target a niche market and provide my training courses and workshops to teachers and students, aiming to help them with methods and ways to improve their teaching skills and student ability to understand the curriculum.

Another entrepreneur, working on developing a tourism application, **E3-AT** (p.1) shared his experience:

> I had another idea that I was working on to develop an application for it, which was a tourism application in the Arabic language that targeted the Arabic speaking population to hunt for their next holiday package.

Overall, a number of providers and entrepreneurs expressed their perception about how important the business idea is to the support mechanism, as it is considered to be a major element of the support application. The next element of applicants' activities which will be discussed is the research that applicants should conduct in order to learn more about their potential market.

5.7.2. *Research*

As part of applicants' responsibility, research was thought to be an important element when intending to start up a project. Applicants were expected to do their homework in terms of searching and obtaining information about the market.

A Riyadah institute official, **S1-FH** (p.10) expressed his perception in this regard:

> We expect applicants to, at least, be ready through getting their market research, including knowing about government procedure and requirements when intending to start up a type of business.

However, the Dulani Business Centre manager, **S2-NA** (p.6) noted that some applicants put in their support applications without obtaining enough information about the market they intended to work in. In this regard, he said, "There are some

people entering the business without getting the required information and knowledge before starting up their businesses." Along the same line, an SDB official addressed how his organisation assisted applicants in improving their market research skills. He noted that:

> In order to raise people's and applicants' awareness about entrepreneurship, SDB uses different ways to reach that goal. We provide workshops and training in this regard, and assign homework for applicants to push them to do their homework related to market research and business plan. Ultimately, we help them with it, but as part of the training, they should show some effort. (**S9-AH**, p.4)

Early stage entrepreneurs, for their part, noted that some applicants had their applications rejected due to not doing proper research before putting in their application for support. For example, **E1-FR** (p.2/3) running a retail firm, mentioned that:

> Many applicants got their applications declined due to their lack of awareness. Some of them, who had already started to receive support, were unable to manage building their project or wasted their financial funds on unnecessary things. So, I believe it was the applicants' fault….

Another applicant, running an engineering firm, gave as an example his own experience, saying:

> I had little information about the field; however, I did a small market research, which I think was not enough. I now believe that it is very important to study the environment that you intend to start-up your business at. (**E7-NS**, p.3)

Hence, market research was perceived as an important undertaking by would-be entrepreneurs as well as a major element in starting up a project. Applicants were expected, before putting in their support application, to obtain information about the market.

5.7.3. *Choice of institution*

Although it was perceived as applicants' responsibility to search and to learn about the support available and institutions providing those types of support, they have a choice of programmes depending on the support types, availability of institutions in their geographical area, and the type of business start-up they intend to seek support for.

A few applicants mentioned their choice of institutions. For example, **E4-AE** (p.1) who is developing a mobile application for educational purposes stated his choice of support institution: "The institution I applied for was BADIR", and another entrepreneur, **E5-YH** (p.1) running a training firm, indicated his choice of institution saying, "I applied to the National Entrepreneurship Institution (Riyadah) support programme". Another applicant, **E6-SR** (p.1) running a law firm expressed his perception of his choice of institution after gaining work experience: "[the idea] was clear after working for several years in the field. This helped me when I applied to the National Entrepreneurship Institution (Riyadah) applying for their support programme." This applicant had a clear idea about his start-up project i.e. law firm, which led him to chose to submit his support application to Riyadah. Lastly, **E7-NS** (p.1) who was running an engineering firm, addressed the issue of submitting his application to the available institution in his region: "I submitted my application to Riyadah, as it was the only support programme in the region, I live in."

Although there was not an alternative programme to apply to, the applicant still had a choice to submit his application to Riyadah. A support provider, S1-FH (p.4) indicated that it was up to the applicant to identify the right programme to apply to: "…support is available through many institutions, and it's up to entrepreneurs to pick the right institution to work with…", as this might have given some flexibility to applicants.

Overall, entrepreneurs expressed their view about the applicant's choice to apply for the right programme, based on support types, availability of institutions in their geographical area, and the type of business for which they intended to seek support.

5.7.4. *Eligibility*

Eligibility is the state of having the right to apply to support programmes. Applicants need to meet eligibility criteria in order to be considered for support before applying. Furthermore, applicants are expected to do their homework in terms of obtaining information about the support available, institutions providing this support and the criteria they must meet to apply for such support programmes. Applicants who apply without meeting the criteria waste their own and the providers' time and will face disappointment.

Several support officials expressed their views on eligibility for applicants to be considered for support programmes. For example, BADIR consultant, **S5-GS** (p.3), mentioned: "Moreover, during the prototype phase, early-stage entrepreneurs, in particular, need to develop their prototype product." The SCTH officer, **S8-HM** (p.4) stated: "The authority provides triple the amount as a financial support as long as entrepreneurs meet certain requirements and criteria for such a business opportunity." Lastly, the Riyadah operation director, **S10-WD** (p.2), noted that:

> We provide support to many different types of business start-ups; however it is required for the applicant to be qualified for the project. For example, when an applicant has a business idea of a car garage, they must have a degree based upon this, such as mechanical engineering or experience in that field, such as working in car companies. Although a good business idea is important for us to process their applications, it is not enough. A good business idea is not enough without the applicant being capable of developing the idea and applying it.

Overall, support providers addressed the need for applicants to be eligible in order to be considered for support, and expected applicants to know/find out about the criteria they were required to fulfil.

5.8. Suggestions/Recommendations

The theme 'Suggestions / Recommendations' represents comments and suggestions made by supporters and entrepreneurs about measures they thought

were needed to enhance the entrepreneurial environment in Saudi Arabia. Codes in this theme include: More support, Access to technology, International cooperation, Promoting awareness, Data publication, Policies and Business ideas.

5.8.1. *More support*

The most frequently mentioned suggestion was a general need for 'More support', which was claimed by eight out of 13 supporters and four out of seven entrepreneurs. For instance, **S1-FH** (p.5), a support institution official working as a branch manager of Riyadah suggested that:

> We still need to improve the quality of this training programme to reach to a higher level, which should allow higher quality outcomes. We might also need an additional programme to solve and overcome this challenge when it comes to identifying business opportunities for people and local markets.

Some other support providers suggested the need to set up offices in different cities. For example, **S2-NA** (p.9) a manager representing Dulani Business Centre, which focuses on providing training and mentoring services for early stage entrepreneurs, mentioned that: "We need a similar office or institution in each city" and he further urged that different institutions communicate with each other, when he stated that:

> We need to focus more on how we are providing our services first and maybe to move our head offices or the main institutions to the less-developed areas. (**S2-NA**, p.11)

In addition, a female university official involved in entrepreneurship suggested that: "Enhancement needs to be done towards protection for new businesses to encourage innovation." **S4-NF** (p.4).

From entrepreneurs' perspective, **E1-FR** (p.5) running a retail firm, expressed his views on entrepreneurship education saying:

> Currently, I don't think it [university and college education on entrepreneurship] is sufficient in any way. Lots of planning and work need

> to be done in this regard. However, the self-learning method is an alternative for entrepreneurs who have access to this type of learning. Although this will not substitute for entrepreneurship education, it will play its role until university and college education are developed and made available.

Another suggestion requested more support of the consultation type. An NMC representative, **S13-MAZ** (p.5) addressed this issue:

> Overall, I believe that this support is sufficient with these aspects, except other aspects, like one-to-one consultation and coaching, which is not available as part of the support activities.

S13-MAZ (p.6) further suggested the need for more financial institutions to make this type of support even more available and accessible, when he stated, "We need the financial support to be more accessible and available, as well as consulting services". **S9-AH** (p.5), representing the SDB, addressed the issue of the need for more incubation centres in Saudi Arabia:

> I would suggest having more incubations or institutions that are supporting the entrepreneurial activities, which would help expanding and providing more support to entrepreneurs and ultimately supporting the national economy of the country.

Overall, entrepreneurs and support providers saw a need to increase the quantity and quality of all types of support provided. They focused on a few suggestions, including the quality of the training programme, the need to set up support offices in different cities, to focus more on the provision of services in less developed areas and providing more support of the consultation type.

5.8.2. *Access to technology*

Access to technology was among the less frequently mentioned suggestions, as it was raised by one out of 13 supporters and one out of seven entrepreneurs. This

might be because others perceived access to technology as already available in the entrepreneurship environment of Saudi Arabia.

From a support provider perspective, **S4-NF** (p.2) represented a firm that provided training services to early stage entrepreneurs. She stated that among the needs for increasing entrepreneurship was, "easier access to technology and innovation."

From an entrepreneur perspective, **E1-FR** (p.3) running a retail firm, expressed his views about the need for easier access to technology, stating that:

> Support available is acceptable currently, yet further enhancement is required. This can be done through providing more support types, such as easier access to technology and innovation, in addition to enabling and easing cooperation with other business locally and internationally.

Although examples were not mentioned in the quoted views of support providers and entrepreneurs of kinds of technologies, examples include a range of systems. This might be to enhance the technology related to payment systems, online shopping and mobile application systems.

5.8.3. *International cooperation*

International cooperation has been important for businesses to grow in current years due to globalisation especially with businesses dealing with technology and international products. International cooperation was also among the less frequently mentioned suggestions, as it was proposed by one out of 13 supporters and one out of seven entrepreneurs. However, it is potentially an important aspect to business start-ups to collaborate with international bodies in order to gain experience and expand the business beyond its geographical region. The quotations below show the need for international cooperation:

From a support provider perspective, **S5-GS** (p.11) who represents BADIR incubation for IT projects, commented on the important of easing the procedure for inviting experts from other countries to gain international cooperation for start-ups:

> In addition, a number of entrepreneurs suggested that it would be good if there were facilitation with regard to visas and making the process of inviting someone to the country easier. Sometimes, you need people from outside the country as partners, co-founders or employees. It would support entrepreneurs easing the processes of granting visas in order to make international cooperation easier to help them with their business start-ups.

The subject of one quotation was Prince MBS College for Entrepreneurship, which is run in a collaboration with Babson College, United States, one of the best worldwide. With this in mind, the Monsha'at support official, **S7-SQ** (p.5, 4th¶), suggested that the college should be taken as a benchmark to other Saudi educational institutes. In his words: "I believe examples of such institutions should be a role model to other Saudi education institutes when designing and delivering an entrepreneurial learning programme."

From an entrepreneur perspective, **E1-FR** (p.3) who was running a retail firm said:

> Support available is acceptable currently, yet further enhancement is required. This can be done through enabling and easing cooperation with other business, locally and internationally.

Although only one interviewed entrepreneur and one support provider mentioned international cooperation, it could be an important suggestion towards enhancing entrepreneurship environment in Saudi Arabia. Such cooperation might make more opportunities available to entrepreneurs in Saudi Arabia, in terms of expanding their business imports and exports, supporting their local communities, creating more jobs, enhancing the national economy and ultimately increasing the GDP of the country.

5.8.4. *Promoting awareness*

Promoting awareness of entrepreneurship is important to encourage individuals to start up their business, benefiting from the support available. Promoting awareness, despite its importance, was also among the less frequently mentioned suggestions, as it was only raised by two out of 13 supporters and one out seven

entrepreneurs, who considered it important to the entrepreneurial environment in the country. For example, **S3-AO** commented on the required efforts towards promoting awareness (p.7): "I insisted that business support centres should put more efforts into spreading awareness of entrepreneurship in the society and make this a priority".

A suggestion for including entrepreneurship education in the school system came from an academic and public university entrepreneurship trainer, **S4-NF** (p.4), when she noted that: "Entrepreneurship education needs to be included in schools." This might have been suggested for a few reasons, including to introduce the awareness of the importance of entrepreneurship and how entrepreneurship might help the economy in terms of creating jobs, enhancing the living standards and increasing the GDP of the country.

In addition, **E2-KA** (p.4) running a vehicle services centre in his area, emphasised the need for entrepreneurship education in the country, saying, "We need such education as it will help raise awareness of entrepreneurship among students and the young generation."

Other support providers did not explicitly raise the importance further effort to promote awareness of entrepreneurship, but their sense of the importance of this activity can be inferred by the fact that promoting entrepreneurship was among their existing activities (see section 5.3.9) and increased awareness was among the claimed impacts (see section 5.5.2).

5.8.5. *Publication of data*

Publication of data is the act of making information publicly available. It might affect business start-ups by enhancing their business plan during the process of start-up. Publication of data might be important to the academic community, entrepreneurs, decision makers and to small and large businesses as well. However, it was among the less frequently mentioned suggestions, as it was only mentioned by two out of 13 supporters.

An academic, researcher and public university entrepreneurship trainer, **S4-NF** (p.4/5) addressed the issue of the lack of data and scarcity of research in the area of entrepreneurship in Saudi Arabia. She stated in this regard:

> There is urgent need for enhancing research activities in the area of entrepreneurship by cooperation of research institutions, universities, public and private sector to fill the wide gap in this area for the region of MENA and specifically, Saudi Arabia. We need to see more publications on this field as well as making all possible effort to make data available to the public and to make easy access to it.

Another researcher and a university institute of entrepreneurship director **S12-SBN** (p.3) also addressed the need for more research in the field of entrepreneurship in Saudi Arabia, suggesting:

> In the research community, we are eager to see more research about innovation, entrepreneurship, SMEs, and support to these activities. Moreover, institutions should asap work on making data publicly available. This would benefit the academic community, entrepreneurs, SME owners, other institutions and the decision makers in the Kingdom.

Thus, for these two support providers, further research and academic data publication are important for the academic community, entrepreneurs, and decision makers in Saudi Arabia, to provide clearer information on entrepreneurship activities and the role of support institutions, both to promote awareness of these issues in society and to inform decision making.

5.8.6. *Policies*

Policies are a set of rules to guide decisions, regarding entrepreneurial activities. Working on updating rules and policies and making them suitable for the entrepreneurship environment, was a suggestion made by just one of the 13 supporters. Riyadah operation director, **S10-WD** (p.5) addressed his view in this regard: “Challenges and obstacles will always occur, but we need to face and minimise them by cooperating and working together by revising the rules and

policies." This might suggest that updating policies might work towards minimizing challenges and overcoming obstacles facing entrepreneurs.

Overall, it might be important to work on updating rules and policies and make them suitable for the entrepreneurship environment. This should allow entrepreneurs to overcome some of the challenges and benefit from such updates.

5.8.7. *Business ideas*

Business ideas are crucial for proceeding with start-up projects. Regardless of the importance of business ideas to entrepreneurs and support providers, this code was also among the less frequently mentioned suggestions, as it was only made by one out of 13 supporters. A representative of BADIR incubation centre, **S5-GS** (p.14) suggested in this regard:

> I would suggest they [applicants] come up with ideas that are already in practice in different countries, and try to localize them, and customise them for the benefit of Saudi economy and for them to be successful, instead of getting something that can't be applied to go to the market.

He further added advice to applicants intending to start their own business, saying:

> My advice to entrepreneurs or students intending to start up their business when coming back home, is to focus and to pick an idea that can be localized. Further, IT based ideas are more of a need in the Saudi market.

Business ideas have already been shown to be crucial to the activities of support institutions, (see section 5.7.1) but ideas always need to be suitable for the local entrepreneurship environment, according to the provider's suggestions.

5.9. Summary

This chapter has addressed the research objectives by providing thematic analysis of the issues raised in interview by support institutions' officials as well as early stage entrepreneurs within Saudi Arabia.

Interview data showed that the main reasons for applicants to start a business, were taking advantage of the support available and taking an opportunity or a

chance, although some applicants thought they started their business out of necessity due to not finding a job that satisfied their aspirations. Many types of support, were reported, with financial support being perceived as one of the most important and widely available. Conversely, Training was seen as insufficient or not beneficial due to poor quality and lack of expertise. Other types of support such as Consulting, Networking and Mentoring were available to various degrees and perceived well by applicants and support providers.

Regarding Rationale for support, the ultimate goals behind the provision of support by institutions promoting entrepreneurship in Saudi Arabia included immediate goals such as to develop human resource skills for local citizens, the creation of jobs, increasing of the level of competition in the local market and promoting regional development all over Saudi Arabia by exploiting regional characteristics and generating revenue. These outcomes were intended to provide benefit to society, and to lead to the ultimate outcome of increasing the GDP of the country.

The main outcomes of support activities were said to be the increased number of start-ups and the increased awareness of the importance of entrepreneurship, among potential entrepreneurs and in society as a whole. In addition, Regional coverage was spreading, the risk of starting up a business had been reduced to some extent and opportunities have been created to empower women in starting up new businesses, giving them economic independence and enhanced social status. The credibility of providers was perceived well by both providers and entrepreneurs.

Nevertheless, Challenges, difficulties and obstacles faced by supporters and/or entrepreneurs during the process of providing and using entrepreneurial support were represented. The main challenges faced by entrepreneurs were lack of access to finance, bureaucracy, strictness, marketing / promotion, and lack of access to training and education. The main challenges faced by support providers were lack of data and lack of awareness. Moreover, both entrepreneurs and support providers were challenged by institutions working in isolation from each other.

Various responsibilities were expected from applicants before they put in their applications to the support institutions, in particular, to develop a clear business idea and to carry out market research.

Lastly, suggestions and recommendations were made by supporters and entrepreneurs regarding measures required to enhance the entrepreneurial environment in Saudi Arabia. Some of the main suggestions were to increase the level of support provided, to further enable access to technology, to further promote awareness, and to update policies and regulations.

In the next chapter, the qualitative data will be considered along with the quantitative primary data, i.e. questionnaire data and secondary data, in the light of the theories and models of entrepreneurship discussed in the literature review in Chapter Two, and in relation to the Saudi context.

6. CHAPTER SIX: DISCUSSION

6.1. Introduction

Chapter Four has presented the results of analysis of secondary data from international and national documents, as well as the quantitative data analysis based on analysis of survey data. These were complemented in Chapter Five by the results of the qualitative data analysis from in-depth interviews with officials from institutions supporting entrepreneurship, as well as early stage entrepreneurs within Saudi Arabia. Following on from these analyses, this chapter discusses the main findings of the thesis. It draws together the information from the three research methods, and discusses the identified themes and survey findings in relation to the previous conceptual and empirical literature, in order to address the main and sub research questions. The main question addressed in this thesis is:

What is the role of formal institutional support for early stage entrepreneurs in Saudi Arabia?

This main research question is approached via six sub-questions, as follows:

1. What are the most important reasons for starting a business in the context of Saudi Arabia?
2. What types of institutional support are used by early stage entrepreneurs in Saudi Arabia?
3. What is the relationship between early stage entrepreneurial ideas and the provision of institutional/entrepreneurial support?
4. What is the relationship between institutional support and early stage business performance?
5. What are the challenges faced by entrepreneurs in accessing support and institutions in providing available institutional support in Saudi Arabia?
6. How can these challenges be overcome to enhance entrepreneurship in Saudi Arabia?

Thus, the discussion is presented in six main sections, successively addressing the above sub-questions, with the exception of RQ6, which will be addressed in the form of Recommendations, in the following chapter, section 7.6.

6.2. **First sub-research question:** What are the most important reasons for starting a business in the context of Saudi Arabia (people's motivation for entrepreneurship)?

The questionnaire analysis concerning the participants' perceptions of the most important reasons for starting a business in the context of Saudi Arabia (Section 4.3), showed that the largest concentration of participants were "taking advantage of an opportunity", followed by "looking for additional income". "Taking advantage of support" and "necessity" ranked lower. It is noted that a fifth of the respondents selected both support and opportunity, so the number indicating that the available support played a role in their decision to start a business is actually higher than the 13.7% who were motivated mainly or solely by this factor. Necessity was the response with the lowest frequency, accounting for fewer than 10 per cent of the respondents.

The relativity low ranking of 'taking advantage of support' may reflect the picture emerging from the secondary data, where many of the Entrepreneurship Framework Conditions (EFCs) had only moderate ratings. For example, finance for entrepreneurship in Saudi Arabia indicated moderate availability as a type of support according to GEM (2017). Also, the area of government support and policies appeared to be among the toughest challenges that entrepreneurs faced. Although R&D transfer was one of the lowest-rated factors (i.e., 1.78), Entrepreneurship education and training was rated the lowest scoring factor among all other conditions (i.e., 1.41). Other factors that scored moderate to low ratings were 'Commercial, professional and legal infrastructure', 'Internal market openness', and 'Access to physical and services infrastructure'. However, the 'Culture and social norms' factor, perceived as supporting entrepreneurship, achieved a higher percentage than in the US and the UK (Section 4.2.1). Thus, it appears likely that the variable availability and quality of various types of support restricted its prominence in entrepreneurial motivation.

However, the interview data present a more complex picture. The entrepreneurs interviewed acknowledged mixed motives in setting up a business. Some had felt forced to consider entrepreneurship out of necessity, but the availability of support

influenced the solutions they chose, and how successfully they could pursue them. The case of E7-NS, cited in section 5.2.3, is an example of this kind of mixed motivation. This implies that the availability of appropriate support could actually turn necessity into opportunity. At the same time, data from support officials suggest support might be more readily available to opportunity than necessity entrepreneurs, in the sense that they expected applicants to have a clear business idea and have researched the market (Section 5.7). For example, a Riyadah institute official, S1-FH (p.12) explained that:

> The main issue is the business idea and start-up plan being at a sensible level. The factors that influence the decision are a good business idea, the business plan and readiness of entrepreneurs to start-up.

He also added that "we expect applicants to, at least, be ready through getting their market research".

The exploration of participants' motivations is of interest since the literature shows that a common way to distinguish between types of entrepreneurship in previous studies was according to the entrepreneurial motivation, defined as the reason for starting up a business, classified as opportunity or "pull" factors and necessity or "push" factors (Acs, 2006; Hessels et al., 2008). Looking at section 2.2.2, the literature has tended to associate opportunity entrepreneurship with developed countries and necessity entrepreneurship with developing countries. In the case of Saudi Arabia, however, while many of its sectors and institutions are still developing, its relative wealth, and the availability of support for entrepreneurship, seem to be creating a situation more traditionally associated with developed countries. This may reflect the Saudi government's vision for socio-economic development (discussed in section 1.2) and the role envisioned for entrepreneurship in fuelling the transition of Saudi Arabia from a developing to a developed country. In this situation, Saudi early stage entrepreneurs are spotting business opportunities and taking advantages of the support available, according to Bygrave (1997). The findings thus support the point made earlier, in Chapter Two (Section 2.2.2.1), that classification of entrepreneurship based on motivation poses

theoretical and practical issues, as it is difficult to measure motivation and being pushed into entrepreneurship by necessity does not exclude being attracted by opportunities (Sserwanga and Rooks, 2013).

The data shows the limitations of the necessity / opportunity distinction. 'Necessity' entrepreneurship has been associated with low income countries (which Saudi Arabia is not) and work in very traditional sectors. This picture contrasts with the Saudi cases revealed in this study where, on the one hand, even so-called 'necessity' entrepreneurs were setting up in non-traditional sectors such as automotive services and technology; on the other, 'traditional' sectors were being exploited as opportunities for the development of a new sector, tourism. The idea of 'necessity', moreover, is relative; some of the entrepreneurs who participated in this study saw themselves acting out of 'necessity', but it was not because of the kind of poverty and lack of resources presented as 'necessity' in the literature. They were educated and presumably would have had employment options - but not ones that met their aspirations.

Overall, the data seem to be consistent with arguments for the role played by 'opportunity' in some definitions, theories and models, such as in Shane and Venkataraman's (2000) suggestion that entrepreneurs innovate in order to exploit opportunities (Section 2.2.1.2). The data also indicated the importance of 'support' in providing opportunity or facilitating the realization of opportunity, as indicated in the GEM model (Acs et al., 2005: 14) and by Eid's (2016), assertion of the usefulness of government in shaping the conditions for entrepreneurship.

6.3. **Second sub-research question:** What type(s) of institutional support are used by early stage entrepreneurs in Saudi Arabia?

The questionnaire analysis showed that support was available in various forms, such as Finance, Training, Education, Consultation, Coaching, Mentoring, and Networking, all of which were used to varying degrees by respondents. Respondents had benefited the most from finance (45.3%), followed by consultation (47.9%) and networking (35.9%). Education and training were the

forms of support said to be least used (10.3% and 20.5% respectively) by entrepreneurs in the sample of this study (Section 4.4).

Although GEM data (2017) indicated that access to finance was rated the second highest among the problems facing Saudi early stage entrepreneurs (Section 4.2.1.1), over 45 per cent of the questionnaire respondents had benefited from financial support in the Kingdom. This might be linked to the increasing number of governmental support programmes since 2009 (Section 4.2.1.3.).

The interview data provided a richer picture of entrepreneurship support as perceived by both providers and beneficiaries (Section 5.3). This generally supported the evidence from the survey regarding the role played by financial support and revealed the various forms in which this was available.

Interest free loans were reportedly provided by several institutions of Saudi Arabia as a means of financial support. A BADIR incubation support official, S5-GS (p.4) explained, "[We] support them [entrepreneurs] to the accelerator programme, by providing them with interest-free, financial support that could reach a support fund up to 300,000 Saudi Riyals". An additional advantage offered to applicants is that they are not required to re-pay the loan before a time period of two years from starting their project (Section 5.3.1.1). Providing support to early stage entrepreneurs in the form of a monthly allowance also helped them in multiple ways. Such support, in addition to covering their personal expenses during the early stage of their start-up, offered extra money towards the salary of a new employee, which helped them to hire a worker to help them in growing their business. This in turn, helped in creating job opportunities in the society (Section 5.3.1.3). For example, E6-SR (p.2), an applicant who used the financial support to fund his law firm mentioned,

> I was offered to hire a local employee and I would start receiving 50% of his or her monthly income from HRDF, up to 2000 Saudi Riyals, for up to two years. I hired a secretary right away to help me with the work, which started to grow.

The interview data show agreement between support providers and entrepreneurs in their perceptions of financial support. The support officials mentioned finance as a large area of support, while evidence from entrepreneurs shows that they appreciated and benefited from the financial support they received.

Comparing the picture of this study's findings with the picture in the literature shows that Saudi Arabia has adopted a path similar to those taken in other countries, by providing institutional support in the form of government grants or allowances, subject to eligibility criteria. Some of the schemes reported, for example, are similar to an example, described by Watson et al. (1998) of a scheme set up by the UK government in 1988 whereby, subject to presentation of a business plan and cash-flow projection, a new entrepreneur could access an allowance of a certain amount. Furthermore, Eid (2016) referred to indirect financial support as a potential role of government, where rather than providing direct financial support, entrepreneurship is encouraged by supporting companies and investors to provide financial support to entrepreneurs (Section 2.5.2). This might help in increasing the number of successful start-ups.

More than 25% of the survey participants were women (Section 4.3.2.1), and the majority had used or received different types of support. Moreover, the findings from the qualitative data of this study show that women in Saudi Arabia, recently, have been favoured in entrepreneurship applications, as evidenced by a Riyadah official, cited in section 5.5.5. This is consistent with secondary data (Section 4.2.3) which shows that, recently, women in Saudi Arabia have been given more opportunities in terms of access to capital (GEM, 2018). In contrast, previous literature shows how difficult it is for women in different places such as in India (Sengupta, 2011) and in the Middle Eastern context (Al-Sadi et al., 2011; Zeidan and Bahrami, 2011). The literature also provided evidence of women entrepreneurs being forced to confine themselves to traditional, small-scale, home-based activities (Tlaiss, 2014). This might reflect the focus of the Saudi government in supporting entrepreneurs and, in particular, the aim of enhancing the contribution of women in Saudi society (Section 5.5.5). For example, S5-GS (p.8) commented:

> We have noticed that, during the last few years, applications from women have been increasing. Although we are happy about it, to diversify our applicants, business ideas, and to fulfil the country's objective to empower women, we need to carefully evaluate their applications in order to grant them support.

The interview data also shows that mentorship and consultancy are important to early stage entrepreneurs, and in many cases, more important than financial support (Sections 5.3.3 and 5.3.5). For example, S3-AO as a support provider stated that "the key [to success] is having really a good mentor" (p.4), and E7-NS as an applicant for support explained:

> Before getting the financial support, I got a number of training courses, then I was referred to the Social Development Bank (SDB) for receiving the fund. After that, a mentor from Riyadah was in contact with me in case I needed help (p.1/2).

This finding is consistent with the literature noting that investment mechanisms include an element of mentorship and consultancy (Ramadani, 2012; Cohen and Hochberg, 2014) and concluding that this advisory support is, according to Chemmanur and Fulghieri (2014) as important as the financial support provided.

Other forms of support were, however, less well perceived. Despite the claims made in the literature as to the importance of education and training as major factors in the promotion of entrepreneurship and in developing people for new trends in work (Coduras et al., 2008; Zamberi Ahmad, 2013; Mwiya, 2014), the findings of this study show that they were, reportedly, little used. There is an apparent inconsistency here between the questionnaire and interview data. The questionnaire revealed that education and training were the forms of support least used by entrepreneurs, yet the evidence from interviews with support providers showed that training was provided as part of the support programmes, and often, its completion was mandatory. For example, S9-AH explained

> We provide workshops and training and assign homework for applicants to push them to do their homework related to market research and business plan as part of the training, they should show some effort (P.4).

The answer to this seeming contradiction may lie in some entrepreneurs' remarks about training quality. The quality of training was perceived differently by support providers and applicants. Some perceived it well, while others perceived it in a poor way, claiming it was not beneficial. For example, applicant E7-NS (p.3) mentioned that he thinks "entrepreneurship education and training is currently insufficient, and the advisory support is very weak, if it exists". Thus, training may be available, but entrepreneurs may perceive that they have not benefited from it. This might be because of the variety of different training programmes in different regions of the country and due to lack of expert trainers. This finding is consistent with the picture emerging from the secondary data, where entrepreneurship education and training scored the lowest among all the GEM Entrepreneurship Framework Conditions, located close to the bottom ('highly insufficient') end of the scale.

6.4. **Third sub-research question:** What is the relationship between early stage entrepreneurial ideas and the provision of institutional/entrepreneurial support?

Sub-research question three concerned the relationship between entrepreneurial ideas and the provision of support, i.e. whether some kinds of business are more likely to receive support than others. The quantitative data showed a relationship between institutional support and the business idea, which was stronger for formal, regulatory support than for the more informal types of support. However, the analysis did not reveal which kinds of business were more likely to receive or use particular kinds of support. From the qualitative data we learn that some support organisations have been set up to promote entrepreneurship in specific sectors, e.g. IT and tourism. For example, support provider S5-GS stated, "The business idea, including prototype of the product and teams of start-ups, is what we focus on while interviewing and processing support applications" (p.6). In another example, S8-HM as a support provider emphasised that his organisation was "supposed to

develop the tourism industry in all Saudi regions" and "to develop the urban heritage, the archaeological and handicrafts sectors" (p.1).

Thus, support may be more readily available to people proposing projects of these kinds. The interest in these areas may reflect the recent focus of the government of Saudi Arabia in promoting entrepreneurship, in particular, investing and encouraging different types of tourism and IT sectors (Section 5.3.9). Moreover, the interview data showed how the business idea is important to the support mechanism, as it is considered to be a major element of the support application (Section 5.7.1). For example, S5-GS stated, "We also require that a prototype of the product must be in service and already fully operating. The product must be in full operation" (p.7).

Some organisations are more general in the projects they will consider, and entrepreneurs reported a wide range of projects (e.g. retail industry, training sector, engineering, law firms). The significance of this diversity could reflect the range of opportunity existing in the Saudi economy, which might be partly a reflection of greater prosperity, education, and international influences, creating markets for new goods and services. It could also suggest that supporting entrepreneurship is/could be a successful strategy for the government, in its efforts to diversify the economy.

A common feature in many of these projects is that the entrepreneurs had identified an opportunity in an underserved market. For example, E2-KA (p.1) commented:

> I identified an opportunity because in the town I was living in, there were not a lot of services related to vehicles, so I took the chance to open my business – a car wash centre - and have a large market share as I am one of the pioneers in this sector.

This is consistent with various models of entrepreneurship such as the GEM model. An example of the role played by opportunity in various models can be seen in Shane and Venkataraman (2000) when they highlighted that entrepreneurs exploit

opportunities to meet a currently unsatisfied need or to do something better. Furthermore, Kobia and Sikalieh (2010) suggested that ideas translated into working realities (Section 2.2.1.2).

In part, these opportunities reflect social change. For example, more private vehicle ownership raises a need for motor services; more construction and real estate projects raises a need for engineering firms; more legal cases raise a need for law firms, and more mobile applications and an extensive use of smart phones and technology raise a need for mobile shops and maintenance centres. This might show how the government of Saudi Arabia and the support institutions in the country are supporting certain kinds of business idea, which are expected to contribute to the development of the economy. In fact, Saudi Arabia is already becoming more developed, which opens opportunities for new business ideas, consistent with models of entrepreneurship such as the economic perspective (Section 2.4.1) and literature on the relationship between entrepreneurship and the country's socio-economic development (Section 2.3.2), where development opens opportunities; however, entrepreneurial activities also promote development through revenue, standard of living and job creation.

Section 2.3.1 in the literature review discusses the idea that entrepreneurship is supported because it is expected to contribute to development, which seems to be what is happening in Saudi Arabia. As for the point that development opens opportunities, this is another point that is consistent with Acs and Virgill's (2009) argument that entrepreneurs fill gaps in incomplete or undeveloped markets. Findings of this study also support previous empirical work, for example, the support for (and growth of) entrepreneurism in tourism, which is consistent with Yusuf (1995) in the South Pacific region.

The findings are consistent with the stages of growth models discussed on 2.3.2 and 2.3.3: Saudi Arabia is "semi-developed" (Cho and Moon, 1998) or in transition to stage 3 (Porter et al., 2002). Therefore, it would be expected for entrepreneurs to be involved in creating jobs and providing new goods and services, which seems to be occurring in Saudi Arabia.

Comparing the findings with the entrepreneurship models discussed in section 2.4 and theory on the relationship between entrepreneurial ideas and support, the findings suggest some gaps in the models. The processual view (Section 2.4.3) for example, shows entrepreneurs recognising opportunities; however, it does not consider where these ideas come from, or what role is played by support. The GEM model (Section 2.4.4) shows the supportive role of national and entrepreneurial framework conditions, but it does not show whether these apply differently for different kinds of business idea. Therefore, the findings of this study might imply the potential for expansion of these models, to fill the gaps. For example, a possible modification of Bhave's (1994) model of the venture creation process is to add 'support programmes' as a factor to the model, indicating that entrepreneurs forming a business concept may approach support programmes; on the other hand, the availability of support programmes may influence formation of business concepts. Otherwise, entrepreneurs may approach support programmes when they form a commitment to venture creation; in turn, support programmes can confirm the entrepreneurial commitment. In addition, support programmes can assist in the organisation creation and technology acquisition needed to develop the product then entering the market.

Another example is the potential to add the additional factor of 'Support' to Shane's (2003) model of the entrepreneurial process. The additional factor shows that individual attributes can affect potential entrepreneurs' access to support. It also shows that support programmes can affect the availability of opportunities; on the other hand, available opportunities can shape or influence the creation of support programmes. The environment can also influence the availability of support, and also, support can change the environment for entrepreneurship. In addition, it shows how support facilitates execution of the idea. Another proposed modification can be suggested for the GEM (2005) model, by adding 'the nature of the business idea' and 'support' as factors where 'the nature of the business idea' influences the relationship between the other factors in the model via 'support'. These ideas will be further discussed as theoretical contributions of the research in Chapter Seven.

What seemed to be more important than the nature of the idea (from supporters' perspective) was that the applicant had a clear, well-formed idea and to have done some research. The interview data shows in the section on applicants' responsibility that there are certain things that applicants were expected to do for a successful application. Applicants were expected to show drive, initiative and commitment, and to have made quite a lot of progress before becoming eligible for support. This would filter out less committed applicants and increase the chance of the new business succeeding; but it may lead some entrepreneurs to perceive help as insufficient. This might be linked with the secondary data (Section 4.2.4) where the data showed a high proportion of applicants failed at various stages of the process.

6.5. **Fourth sub-research question:** What is the relationship between institutional support and early stage business performance?

Sub-research question four concerned the relationship between institutional support and the early stage business performance. This is primarily answered quantitatively. As indicated in Chapter Four (Section 4.6), the link between institutional support, especially, the regulatory dimension and business performance, showed a positive relationship and the influence of regulatory, representing formal institutional support, is slightly more than the influence of informal support on business performance (see section 4.6.2). However, in the questionnaire, there were high levels of neutral responses from entrepreneurs, suggesting that they did not rate the regulatory support very highly; therefore, there seems to be some contradiction here. Furthermore, the net profit might be seen as the most affected aspect of business performance (see section 4.6.1) based on mean analysis of performance items. However, the other items, i.e. development of sales, growth of the company's value, and cash flow were relatively close in mean scores to the net profit item. It is interesting to note that at least one third of participants (and, for items F2 - Development of sales and F3 - Cash flow, approaching half) were unable to express clear evaluations of these items. This could be due to reluctance to admit to disappointing performance, or they may not have had a clear benchmark to inform their evaluation, or it may be that their businesses were too new to enable performance to be evaluated. However, further

investigation of participants' perceptions and experiences related to business performance would be of interest.

The qualitative data shed further light on the relationship between institutional support and the early stage business performance. Evidence from support providers shows that regulatory support, in particular, should reflect positively on the business performance of the early stage entrepreneurs as it is more influential on their start-up projects, because most of the available support is of this kind, especially during their process of start-up. As stated by support officials cited in section 5.3, support institutions are accessible and available to provide as much support as possible, including financial, training, consulting and other types of support. Another support official also stated that the different types of support provided had been effective in increasing the number of start-ups over the recent few years (Section 5.5.1). An example of this is what S5-GS (p.4) reported:

> As of now, we have in total 2,017 projects working under BADIR supervision. In this Jeddah office alone (Western region office). I am, currently, managing to work with 250 start-ups.

A number of early stage entrepreneurs expressed that the support they obtained helped their businesses to grow and sustain in the market, as evidenced in section 5.3.1. For example, applicant E2-KA indicated that "being supported by formal institutions who provided me with an interest-free loan, helped in reducing risk in my start-up project" (p.3). This provides indications that support positively affected their start-ups' performance.

Evidence from interviews with entrepreneurs showed mixed perceptions of the impact of support on their business performance, during their process of start-up. As stated by some early stage entrepreneurs cited in section 5.5, support institutions helped them to achieve their goal of starting up their business and keep it running, while others stated that support institutions did not help them achieve their goal. Some described their business performance as good, or more than expected, while others described it as less than expected. For example, E1-FR, E2-

KA and E6-SR, who had some business experience, described their business performance positively. On the other hand, E3-AT, E5-YH and E7-NS, who did not have any business experience, described their business performance negatively. For example, E5-YH mentioned that, “Personally, I have made an immense effort to promote my programme to those who have a slight interest” (p.4). Based on further investigation of participants’ perceptions and experiences related to business performance, it can be concluded that applicants with past business experience have a positive business performance, while applicants who are new in the market are affected negatively in terms of business performance. Thus, regulatory support, although important, is not the sole determinant of successful performance.

In regard to the cognitive aspects (Section 4.5.2.2), the survey analysis showed that the majority of participating entrepreneurs thought that individuals know how to legally register and protect their new businesses. Similarly, the majority of participating entrepreneurs thought that individuals intending to start a new business know where to find information about markets for their products. Providers, on the other hand, as evidenced from the interview data in section 5.7, although they had a positive perception of applicants, still thought many lacked the required knowledge when applying for support to start up their business. For example, E1-FR mentioned that, “many applicants got their applications declined due to their lack of awareness” (p.2). Such cognitive aspects might positively affect business performance when entrepreneurs are running their project and involved in market transactions.

A problem in gaining cognitive support may lie in the fact that the majority of participating entrepreneurs, as evidenced by the survey data, did not think universities and colleges provide adequate entrepreneurship education. Similarly, the majority of participating entrepreneurs did not think that universities and other learning institutions provide advisory and development support for new businesses. This is generally supported by the interview data, as stated by a number of entrepreneurs (Section 5.3.2). For example, E1-FR stated that he does not “think it [university and college education on entrepreneurship] is sufficient in any way”

(p.5). Although entrepreneurial education was perceived differently by support providers, according to section 5.3.2 in the interview data, some entrepreneurs perceived it to be of poor quality. For example, E6-SR said, “I applied to Riyadah first, and I took their introductory training course”, and expressed “It was not that good” (p.2), which would limit its potential to assist business performance.

In regard to the normative aspect of support (Section 4.5.2.3), the survey analysis showed that the majority of participating entrepreneurs thought that Saudi society, in general, welcomes new venture creation. Similarly, the majority of participating entrepreneurs thought that in Saudi society, in general, innovative and creative thinking are viewed as the route to success. This is also generally supported by the interview data (Section 5.4.5), as stated by a number of entrepreneurs who positively perceived Saudi society welcoming new venture creation, including E1-FR, E6-SR and E5-YH. For example, E6-SR, p.3, stated that “Saudi society admires successful entrepreneurs”. As the Saudi society admires new venture creation, and views innovative and creative thinking as the route to success, although this might not impact the business performance of start-ups, it might encourage early stage entrepreneurs to pursue further their start-up projects.

The findings of this study resonate with some aspects of the secondary data. Although the GEM (2018) report about Saudi Arabia provided little information about governmental support programmes, an encouraging sign was that the rating of 2.29, although low, nevertheless, represented an improvement from the 2009 rating of 1.97 (GEM, 2018). This improvement might indicate a positive impact of support on the business performance of entrepreneurial activities in Saudi Arabia. Furthermore, the latest expert survey (GEM, 2018) views such programmes as a supportive factor for entrepreneurship. Secondary data also shows that government policies in Saudi Arabia could operate as constraints or support for entrepreneurship, depending on the policy. As an example of a helpful policy, the World Bank (2018c) in its global ‘Doing Business’ report, noted that regulations and procedures for starting a business in Saudi Arabia had been simplified; for example, the time needed to notarize articles of association had been reduced. This is also

another improvement which might indicate a positive effect of business performance on start-up projects in Saudi Arabia.

Section 2.5 in the literature details various ways of providing support for entrepreneurs, mainly in three areas, finance, education and training, and counselling / consultancy and gives some indication of evidence as to the impact of these types on business performance. Evidence from interview data on the availability of various types of support is consistent with the literature (Section 2.5). However, the findings of this study show different perceptions of the sufficiency of financial support from Saudi institutions. The questionnaire analysis showed that 50% of participating entrepreneurs thought that there is sufficient financial support available for them (Section 4.5.2.1). This is also supported by the interview data, where financial support was perceived well by both providers and beneficiaries (Section 5.3.1), which might improve business performance of early stage entrepreneurs in Saudi Arabia. However, the secondary data reflect another picture. It was reported in section 4.2.1.1 that availability of funding support in Saudi Arabia indicated a moderate availability of finance to support new ventures (GEM, 2017). After that, the GEM rating of funding availability for start-ups declined, moving towards the "insufficient" end of the scale (GEM, 2018). The literature agreed with the secondary data in suggesting that the availability of finance is one of the major constraints for entrepreneurs (Section 2.5.2). These reports may present a more negative picture because, although funding from institutions positively impacts the business performance, the secondary data are affected by the inclusion of bank finance and do not necessarily reflect the impact of support institutions.

The findings of this study, both quantitative and qualitative, were consistent with some aspects of the secondary data in terms of the evaluation of education and training sufficiency. The questionnaire analysis showed that the majority of participating entrepreneurs did not think universities and colleges provide adequate entrepreneurship education (Section 4.5.2.2). The interview data, as mentioned by some applicants, cited in section 5.3.2 showed that entrepreneurial education and training were perceived as insufficient. Similarly, secondary data was

consistent with these findings, as education and training sufficiency was reported as the lowest-scoring factor among all the GEM Entrepreneurship Framework Conditions, located close to the bottom ('highly insufficient') end of the scale. The insufficiency of education and training might be a contributory factor to the negative perceptions about the business performance expressed by some entrepreneurs, e.g. E3-AT, E5-YH and E7-NS.

Literature suggests a reason for the low impact of entrepreneurial education and training on early stage Saudi entrepreneurs (Section 2.5.3). That is because, although education and training had been suggested to be major factors in the promotion of entrepreneurship, they were expected to have a relatively weak impact in the case of a recent introduction of entrepreneurial education (Coduras et al., 2008), which explains the situation in the context of Saudi Arabia. In regard to the consultancy type of support, evidence from the interview data as stated by several support officials cited in sections 5.3.3 and 5.3.5 is consistent with section 2.5.2 of the literature, where mentorship and consultancy support were said to be as important as financial support (Chemmanur and Fulghieri, 2014). In this respect, S13-MAZ said that consultations "drive the early stage entrepreneur on human resources related issues, legal issues and other processes to start up a business" (p.4). Evidence from interview data also shows that some issues faced support institutions while promoting entrepreneurship, due to a lack of resources for promoting entrepreneurship, consistent with Eid (2016). For example, S4-NF indicated that she was "facing a challenge with the scarcity of data" (p.2). Another example, S2-NA when mentioned that they "sometimes lack resources" (p.6). This could also have either a positive or negative impact on business performance.

In addition, section 2.4.5 in the literature review, on institutional theory, referred to various kinds of institution and how they work, and (especially in 2.4.5.2) how institutions are expected to benefit entrepreneurship. It is of interest of this study to see if the Saudi experience matches these expectations. Evidence from survey (Section 4.5.2.1) and interview data (Sections 5.2.2 and 5.3.8) stated mainly by institution officials, as will be discussed further below, was consistent with section 2.4.5.2 in the literature in identifying a variety of ways in which institutions affect

business performance, i.e., shaping opportunity fields. Policies and regulations influence the availability and location of opportunity (Fuduric, 2008), as well as action in providing grants and contracts (Kirzner, 2009; Opoku, 2010). As a result, the institutional change in a society would raise or lower barriers to entry or to starting up a business (Smallbone and Welter, 2009; Welter and Smallbone, 2008). In addition, Johnson et al. (2002) stated that institutions provide credible assurance, thereby reducing the risk of starting a business. Also, institutions increase the credibility of support providers (Abebrese, 2015; Zimmerman and Zeitz, 2002) which encourages applicants to pursue their business start-up processes. At the same time, challenges including extreme regulatory requirements work as barriers to entry and deter potential entrepreneurs from pursuing opportunities (Bruton et al., 2010). Formal and informal institutions can shape decisions (DiMaggio and Powell, 1991) due to such factors, i.e. opportunities, employees, customers, which may impact the business performance in a positive way. On the other hand, constraints may impact business performance in a negative way, such as rigidities, discouraging risk-taking and proactiveness, and eroding innovation (Doblinger et al., 2016).

The findings of this study suggest that financial support impacts on business profitability, consistent with the institutional theory in section 2.4.5. The literature review discusses that the institutional theory predicts various ways in which institutional support might/should impact the business performance of entrepreneurs. Estrin and Mickiewicz (2010) suggested that financing options can affect business performance, specifically, profitability of the firm. However, there may be some gaps within the theory that were not mentioned, such as awareness of the importance of promoting entrepreneurship, and expectation of potential entrepreneurs (applicants' responsibility) in interview data in section 5.7.

Moreover, the findings of this study showed a positive relationship between support and business performance. This is consistent with the suggestion in institutional theory that the influence of regulatory, representing formal institutional support, is slightly more than the influence of informal support on business performance.

6.6. **Fifth sub-research question:** What are the challenges faced by entrepreneurs in accessing support and institutions in providing available institutional support in Saudi Arabia?

Data about challenges faced by entrepreneurs in accessing support and institutions in providing available institutional support in Saudi Arabia came from quantitative and qualitative analysis.

The questionnaire analysis in section 4.5.2.1 showed that only fewer than 30% of participants of this study perceived the rules and regulations in Saudi Arabia as favourable to starting and running a new business. A similar percentage of 30% also thought that the government provides legal protection to business start-ups. This suggests difficulties in the process of new business registration, as well as in getting legal protection for new business. The interview data provided a richer picture when it comes to challenges (Section 5.6). As stated by both providers and beneficiaries (Sections 5.6.1, 5.6.2 and 5.6.3), challenges including bureaucracy, strictness, and insufficient support face entrepreneurs, while challenges including lack of data and lack of awareness of the support available for entrepreneurship face supporters. Moreover, the challenge of institutions working in isolation from each other, leading to fragmentation of support provision, is facing both entrepreneurs and institution officials.

Challenges and obstacles faced by supporters and/or entrepreneurs during the process of providing and using entrepreneurial support are many, as reported and analysed in section 5.6 in Chapter Five, the qualitative phase findings. However, Chapter Four, the quantitative phase findings, also referred to forms of support that were not much used, or were rated low, or that a number of participants were unsure about (Sections 4.4, 4.5.2.1 and 4.5.2.2), indicating some challenges facing entrepreneurs and support providers. Some of the most important challenges will be discussed in this section.

6.6.1. Challenges for entrepreneurs

This sub-section highlights the challenges identified by entrepreneurs in relation to education and training, bureaucracy and finance.

6.6.1.1. Lack of access / poor quality of education and training

As indicated in section 6.3 above, the questionnaire analysis showed that although there were various forms of support available to early stage entrepreneurs in Saudi Arabia, some of these were not much used and were rated low by entrepreneurs in the sample of this study (Section 4.4), such as education and training, which only 10.3% and 20.5% of participants, respectively, claimed to use. Moreover, in section 4.5.2.2 in survey data concerning whether universities and colleges provide adequate entrepreneurship education (Table 4.35), more than half of the respondents disagreed with this item. Similarly, Table 4.36, concerned with whether universities and other learning institutions provided advisory and development support for a new business, showed that more than half of the respondents disagreed with this item. Furthermore, both items showed high levels of neutral responses. This data can shed light on what respondents saw as unsatisfactory, and why they did not use this form of support. Several reasons could be behind this, including poor quality of education and training programmes, inadequately qualified trainers, and the absence of the role of universities and other learning institutions in terms of providing entrepreneurial education and training.

Consistent with this finding, in the qualitative interviews, it was evidenced by several institution officials, as well as early stage entrepreneurs cited in sections 5.6.1.4 and 5.8.1 that lack of access to training and education, and poor quality of training when available, were identified as a problem and considered a major challenge. Both supporters and beneficiaries agreed on the existence of this challenge. However, it is noted that the interview data focused mainly on the practical entrepreneurial training provided by the institutions, whereas the survey data were about university/college education. It is important to distinguish between the outcomes of these two sets of data, to pinpoint precisely where the problem lies.

An entrepreneurship centre director cited in section 5.6.1.4 emphasised that lack of training is one of the main challenges that face applicants for entrepreneurial

support in Saudi Arabia. For example, S12-SBN (p.2) stated that "Insufficient government support and lack of entrepreneurial training are the main obstacles that face entrepreneurs and SME owners." Although Monsha't institution was created to expand entrepreneurial training and education, the problem still exists, according to the Dulani Business Centre official cited in section 5.6.1.4. Similarly, the majority of entrepreneurs interviewed claimed the education was insufficient, indicating a real challenge in this regard. For example, E1-FR said, "Currently, I don't think it [university and college education on entrepreneurship] is sufficient in any way. Lots of planning and work need to be done in this regard (p.5). This agreement of both institution officials and early stage entrepreneurs that entrepreneurship education is insufficient either for practical or university/college education, warn of the need to act upon this challenge, as it may lead to other negative consequences, such as a low level of awareness, lack of knowledge, and ultimately, business start-up failure.

These challenges are serious, and there was an agreement among both supporters and entrepreneurs on them. Based on the evidence presented above, there might be a few reasons behind these challenges, and what seems to be the reason for these challenges is the limited number of entrepreneurial educational programmes and expertise in Saudi Arabia, as evidenced by a Dulani Business Centre official in section 5.6.1.4. In addition, the low level of awareness of the importance of entrepreneurship and entrepreneurial education is another reason for this problem to occur. This might apply to both support institutions as well as to universities. Current / potential effects of such challenges are a low level of entrepreneurship awareness and low standards of existing entrepreneurial projects. As a Riyadah official, S1-FH asserted: "We still need to improve the quality of this training programme to reach to a higher level, which should allow higher quality outcomes" (p.5).

The finding of this study is consistent with the picture emerging from the secondary data (Section 4.2.1.4), where entrepreneurship education and training scored the lowest among the GEM Entrepreneurship Framework Conditions, located close to the bottom ('highly insufficient') end of the scale. This might suggest that Saudi

Arabia has not given as much priority to entrepreneurial education and training as to other forms of support. It also might indicate that not much has improved since the GEM data about Saudi Arabia were compiled.

Education and training, and the challenges related to them are important factors in the promotion of entrepreneurship (Coduras et al., 2008). This makes a strong relation between the two challenges. Based on the literature, this is not just a Saudi problem, as empirical evidence from different countries highlights the importance of entrepreneurship education and highlights the need for restructuring of education to provide it (Section 2.5.3). For example, Coduras et al. (2008) investigated the relationship between university support for entrepreneurship and the level of entrepreneurial activity in Spain, where they found a major relationship between entrepreneurial support in universities and entrepreneurial intentions of students. Mwiya (2014) in the Zambian context found that entrepreneurial education has a significant role encouraging individuals in starting, managing and growing a business. Zamberi Ahmad (2013) in Malaysia, however, argued that entrepreneurship education is insufficient to support government policy, and called for a restructuring of the education system to incorporate such education at all stages. All of these examples confirm that the need for entrepreneurship education and training is not solely a Saudi issue, but it is facing entrepreneurs in different environments.

It is also worth noting that, as seen from the literature (Section 2.5.3), education and training are often encompassed within multi-dimensional support programmes rather than as separate initiatives (Cho and Honorati, 2014), which makes it difficult to assess their impact. Several of the support institutions involved in this study provided some form of training alongside a variety of other services, so any benefits entrepreneurs received might be from the package as a whole, and it would be difficult to say how much of it is due to the training component, especially if there is no systematic, formal evaluation of the training offered.

Overcoming educational challenges could assist in enhancing the entrepreneurship activities highlighted in various models, for example, a key factor in many

definitions of entrepreneurship is the recognition and exploitation of opportunity (Shane and Venkataraman, 2000). This might need skill and knowledge. The early economic approach to entrepreneurship seemed to assume that these were innate – or at least did not consider in detail how they were acquired. However, Shane (2000), highlighting the role played by knowledge, suggested that public policy to promote entrepreneurship should include investment in the development of knowledge, which it could be argued, implies an important role for education and training. Similarly, the process approach to entrepreneurship (Section 2.4.3) identifies a number of processes in the creation of an entrepreneurial venture, such as opportunity recognition, organisation, acquiring and using technology, and marketing, all of which, one could argue, imply a need for education and training in these areas. Not surprisingly, then, it is emphasised by GEM among the Entrepreneurship Facilitating Conditions. If Saudi Arabia fails to address the need for education and training sufficiently, this could undermine its development plans, based on Acs (2006) cited in section 2.3.2 where he explains that entrepreneurship is dynamic and productive. As evidenced in section 2.3.3, Saudi is a 'semi-developed' country (Cho and Moon, 1998) and moving to the third stage (Porter, 2002). The country's efforts to develop entrepreneurship are an important part of that process, suggesting a need for attention to overcome the challenges involved.

6.6.1.2. Bureaucracy

Data about bureaucracy as a challenge (Section 5.6.1.2) came primarily from interview analysis. As evidenced by several entrepreneurs and support officials in section 5.6.1.2 bureaucracy was perceived as a big challenge to entrepreneurs, either in pursuing the support function or during start-up processes. As S5-GS pointed out, "there are a lot of challenges in this regard, where different governmental agencies require for people to meet different conditions" (p.11). For example, as evidenced by an applicant for support in section 5.6.1.2, it took longer than expected when he was trying to obtain licences and when trying to set up a contract for his payment system with banks. For example, E3-AT (p.2) stated:

> Challenges were there all the way. Starting with government agencies such as the Ministry of Commerce or the Saudi Commission for Tourism & National Heritage, when obtaining licences as it took a long time to approve my request. There were some difficulties setting up a contract for my payment system with banks.

However, some other applicants indicated that delays and bureaucracy might come within support system institutions. They linked such confusion to the existence of different institutions applying different criteria, as mentioned by support officials in section 5.3.11. For example, S3-AO (p.2) stated "We only target entrepreneurs that have developed products to sell in the market", while S2-NA noted that "the services of Dulani centre are provided to entrepreneurs based on their business age and size" (p.2).

These findings are consistent with recent literature showing how bureaucracy is harmful to entrepreneurship. An excessive number of bureaucratic procedures, with the associated time and cost, can impede the setting up of new businesses and deter would-be entrepreneurs (Dutta and Sobel, 2016). The findings support Munoz and Kibler's (2016) findings on the discouraging effect of complex regulatory or bureaucratic processes. Based on a survey of 407 social enterprises in the UK, they find that a core factor in entrepreneurial confidence is the power of local governmental institutions, and that entrepreneurial satisfaction with the process and administration involved in such activities as receiving funding plays an important role.

The findings did not support the claim in section 2.3.2 that bureaucratic barriers may lead entrepreneurs to the informal type of entrepreneurship (Acs, 2006). However, they did support Williams and Vorley's (2017) evidence that bureaucracy is often a deterrent for entrepreneurs. In this study, for instance, there were indications of entrepreneurs giving up their applications when faced by excessive delay. The concerns about bureaucracy found in this study are consistent with problems noted in other developing countries, such as the study by Mwobobia (2012) on women entrepreneurs in Kenya.

6.6.1.3. Lack of access to finance

Although it was not perceived as a major challenge to applicants (Section 5.6.1.1), lack of access to finance is still considered as a challenge to some entrepreneurs. That is not because finance is not available, but that receipt is delayed by bureaucracy (Section 5.6.1.2), as in the case of E3-AT, cited above, or that applicants do not understand or meet the criteria (Section 5.3.11). The SCTH officer, S8-HM (p.4) stated: "The authority provides triple the amount as a financial support as long as entrepreneurs meet certain requirements and criteria for such a business opportunity." Moreover, sometimes applicants are impatient (Section 5.6.2.4), as in the case of E5-YH, who was frustrated that he "needed to make lots of visits to different offices to get the service done" (p.2). Therefore, this might increase the negative perception of lack of access to finance among applicants.

On the other hand, it is worth noting that some institution officials emphasized that making financial support a widely and easily accessible type of support is a problem in itself. They argued that applicants should go through enough entrepreneurial education and training before they were given access to finance (Section 5.3.2). In the same vein, Chemmanur and Fulghieri (2014) claimed that mentorship and consultancy are as important as the financial support provided (Section 2.5.2).

However, the questionnaire analysis (Section 4.4) showed that 45.3% of respondents had benefited from financial support, which was the second most prevalent type of support used by participating entrepreneurs for this study. This makes it one of the highest demanded and most popular types of support.

The findings of this study to some extent contradict secondary data (Section 4.2.1.1) indicating that access to capital is considered to be the second highest challenge to Saudi entrepreneurs (Ashri, 2013). Such claims have been widespread. The World Economic Forum (WEF) executive opinion survey ranked finance as the second greatest problem in doing business (World Economic Forum, 2017), while another report emphasized that access to bank finance was a major constraint to entrepreneurs in Saudi Arabia; it noted that loans to SMEs accounted for less than 2% of commercial banks' total loans (Wamda, 2017). However, the secondary data

was discussing bank finance, whereas what the participants of this study discussed or received was government grants, allowances or reimbursement of fees (Section 5.3.1). It could be concluded that the situation is improving, or that these forms of finance may be readily available, if the entrepreneurs and their projects qualify for support, but bank finance may still be difficult to get.

The findings of this study are thus, only partly consistent with the literature, which presents finance as one of the major constraints facing early stage entrepreneurs in Saudi Arabia (Section 2.5.2). At the same time, this is an issue that occurs in many countries and not just in Saudi Arabia. Moreover, empirical evidence from different countries showed that access to capital is especially difficult for women (Section 2.5.2), for example, in India (Sengupta, 2011) and in the Middle Eastern context (Al-Sadi et al., 2011; Zeidan and Bahrami, 2011), whereas interview data showed that providers indicated that the support they offered, including finance, was available to women. While this study found access to finance to be an important concern for entrepreneurs, the evidence suggests that women are not so severely disadvantaged in this respect as reported in some contexts, such as Kenya (Mwobobia, 2012). Several support providers indicated that women were encouraged to apply for institutional support and to get access to finance and other types of support. For example, S13-MAZ explained:

> Since last year, we have had 1,216 entrepreneurs (males and females) who are approved to register with our business support centre to benefit from its support, including facilitation and consultation support types (p.5).

Indeed, the secondary data (Section 4.2.3) shows that, recently, women in Saudi Arabia have been offered more chances of access to finance (GEM, 2018). More than 25% of the participants to the survey were female (Section 4.3.2.1), and the majority had used or received financial support, which supports the evidence presented in the interview data of favour towards female applicants (Section 5.5.5).

6.6.2. Challenges for support providers

Support providers highlighted challenges in two main areas: lack of awareness of the support available, and shortage of data, discussed below.

6.6.2.1. Lack of awareness of support to entrepreneurship

Lack of awareness of support to entrepreneurship is considered to be one of the major challenges (Section 5.6.2.2) that face the business environment in Saudi Arabia. This challenge was mainly discussed in the interview analysis.

The lack of awareness of support that is available to promote entrepreneurial activities, by potential entrepreneurs and in society, was viewed by support providers as one of the challenges facing them. Some institutions claimed to be making efforts to raise awareness, according to several institution officials, such as Riyadah, Chamber of Commerce and Dulani Business Centre, cited in section 5.3.9. For example, S1-FH stated that their "main aim is spreading the awareness of start-ups and entrepreneurship and encouraging locals to start their own business" (p.3). However, they also seemed to expect a great deal of entrepreneurs, in terms of having prior knowledge, doing research on the market and coming up with a thoughtful business idea, as mentioned in Applicants' responsibility, section 5.7. For example, S1-FH said in this regard that they "expect applicants to, at least, be ready through getting their market research" (p.10).

Although in section 5.5.2, providers were saying that awareness of the importance of entrepreneurial activities in the country generally is growing, it is still a challenge to them when it comes to the lack of awareness of support available to early stage entrepreneurs in Saudi Arabia, as evidenced by several support providers in section 5.6.2.2, such as S4-NF and S9-AH. A few reasons could be behind this. It could be due to lack of communication between the institutions and entrepreneurs. Also, some applicants may have played a role in the misconception of the support provided, among other potential applicants, leading them to think as it is not worthwhile or difficult to obtain. For example, support provider S1-FH mentioned:

> Some entrepreneurs I met who did not apply to our institution or to others to obtain support expressed that their reason for not doing so is that they thought the application for support is very complicated and very difficult (p.10).

Although support providers did not express their views on lack of awareness of entrepreneurship itself, the secondary data from GEM (2017) in section 4.2.2, suggests awareness of entrepreneurship is good; so perhaps it is awareness of availability of support that is the problem.

The lack of awareness perceived by support providers was seen as a matter of concern because it might prevent potential entrepreneurs from identifying and exploiting opportunities. For example, as argued by a trainer in entrepreneurship at a public university, cited in section 5.6.2.2 while addressing issues in regard to the lack of entrepreneurship awareness, this challenge affects early stage entrepreneurs in starting their business or causes them to miss significant support opportunities. An example of this what S4-NF (p.3) explained:

> Lack of awareness regarding the institutional support might deter potential entrepreneurs from starting their business, or even cause them to miss important support opportunities such as education and training that might influence their business.

Although lack of awareness of entrepreneurial support is considered a significant challenge facing entrepreneurs and support providers, it is difficult to find information about people's level of awareness, compared to other challenges. Therefore, efforts towards overcoming this problem can be complicated, as this problem is not easy to identify.

Nevertheless, such efforts are important, given the economic importance of entrepreneurship (Section 2.3.1) as it is an important process for the conversion of knowledge into new goods and services (Shane and Venkataraman, 2000) and it plays a role in the development of human and intellectual capital (Zahra and Dess, 2001). If entrepreneurship is about seeing and exploiting opportunity (Section 2.2.1.2) it is important for people to have awareness of the opportunities available and also of the facilities and resources available for exploiting the opportunities. Therefore, promoting and raising awareness of such facilities and resources could be an important part of a national strategy for encouraging entrepreneurship. Awareness of availability of entrepreneurship support might lead to encourage

opportunity entrepreneurship (Section 2.2.2.2) rather than necessity entrepreneurship, and increase entrepreneurship quality (Section 2.3.3). As evidenced by Szabo and Herman (2014) and Acs (2006) the quality of entrepreneurship is what matters for a country's economic development, in terms of the ratio of necessity to opportunity entrepreneurship.

Based on section 2.3.3, Saudi Arabia has spent time and resources in developing infrastructure and is now "semi-developed" in Cho and Moon's (1998) terms. It seems that, consistent with Acs (2006), Saudi Arabia is looking to develop to the next stage, at least in part, through entrepreneurship; but it will not be able to do this effectively if awareness is insufficient.

Awareness is also an important, if implicit factor in models of entrepreneurship. For example, from the "Process" perspective, awareness could be regarded as a precursor to the "discovery" element in Shane's (2003) model (See Figure 2.2, section 2.4.3). An entrepreneurial mind-set or "awareness" of the possibility and value of entrepreneurship might encourage conscious efforts to seek out opportunity and increase the likelihood of discovering it, and acquisition as well as identification of the resources and support to pursue it.

Similarly, although the GEM model (See Figure 2.3, section 2.4.4) does not specifically mention awareness, it could be argued that awareness would be important in creating social norms conducive to entrepreneurship (EFCs), encouraging recognition of entrepreneurial opportunity, and identifying or developing entrepreneurial capacity.

6.6.2.2. Lack of access to data

The lack of access to data as a challenge was highlighted in the interview analysis (Section 5.6.2.1), as evidenced by four researchers and support providers in the same section. One of the researchers mentioned that issues of scarcity of data are affecting research. For example, S4-NF (p.2) stated, "Although I am interested in SMEs and entrepreneurship research, I am facing a challenge with the scarcity of data about SMEs and entrepreneurial activities, to do further research". The other

researcher indicated that the limited journal articles that are publicly available create a challenge for academic research on entrepreneurship. As one of the main challenges facing institutions supporting entrepreneurship, specifically, universities and academic bodies as well as others, the limited availability of data may contribute to deficiencies in entrepreneurship education and training, and / or the low levels of awareness.

Lack of access to data was cited by a Social Development Bank officer in section 5.6.2.1, as a reason for failure to take a prompt decision towards expanding their support facility. He added that they needed to wait longer for reports to come in order to base their decisions according to the outcomes of reports and statistics. For example, S9-AH (p.4) stated that:

> Information and accurate data about the numbers of the entrepreneurs who have used this support is not available to me at the present time, so I need to wait for the next report to come out.

The lack of access to data and information about market and business transactions has a negative impact on businesses, including early stage entrepreneurs (Ngoasong, 2018), and according to Mair et al. (2012), it is considered as a failure of the formal institutions in developing countries. Consistent with the findings of this study, Danish and Lawton Smith (2012) used the snowball sampling method due to lack of access to databases in their survey of female entrepreneurship in Saudi Arabia.

6.6.3. Challenges for entrepreneurs and support providers

6.6.3.1. Institutions working in isolation from each other

Data about institutions working in isolation from each other as a challenge (Section 5.6.3.1) also came primarily from interview analysis. For example, S2-NA was quoted as saying:

> We need more than just talk. We need to collaborate and to work together to reach and get to our aim and fulfil our objectives, as it seems to me that

the situation is most agencies or institutions are working in isolation from each other. (p.11)

As evidenced by several entrepreneurs and support officials in section 5.6.3.1, institutions working in isolation from each other affected both entrepreneurs and support officials, causing delay of the process of support and sometimes causing applications to be declined or applicants withdrawing their application.

Furthermore, survey data concerning the regulatory dimension, in section 4.5.2, showed a relatively high percentage of 'Neutral' responses. Given that institutions working in isolation from each other was perceived as a challenge facing applicants, this might be the reason for some of the negative perceptions and / or uncertainties revealed in response to some survey items. Recent literature has shown that formal institutions should not operate in isolation, as evidenced by Williams and Vorley (2015) in section 2.4.5.2. Furthermore, Doblinger et al. (2016) emphasized that strong ties between firms and organisations can increase their ability to access a variety of information. Conversely, this means that institutions working in isolation from each other have a reduced ability to access data.

Overall, as it can be noticed from the discussion of different types of challenges facing entrepreneurs and/or support providers, those challenges were, to various degrees, contributing to the insufficient promoting of entrepreneurial activity in Saudi Arabia.

6.7. Summary

This chapter has discussed the main findings of the two phases of the research in relation to the literature review in order to address the research questions. It was found that the most important reason for starting a business in the context of Saudi Arabia was "taking advantage of an opportunity". Some entrepreneurs saw themselves acting out of 'necessity', but not because of poverty and lack of resources. They were educated and presumably would have had employment options - but not ones that met their aspirations.

The types of institutional support used by early stage entrepreneurs in Saudi Arabia varied, including Finance, Training, Education, Consultation, Coaching, Mentoring, and Networking. A relationship was found between early stage entrepreneurial ideas and the provision of institutional/entrepreneurial support.

During the course of the discussion, attention was drawn to deficiencies in extant models of entrepreneurship, and it was suggested that additional constructs need to be added to account for the role of support for entrepreneurship. As a contribution to theories, modifications were proposed to Bhave's (1994) model of the venture creation process, Shane's (2003) modified model of the entrepreneurial process, and the GEM (2005) model. These suggestions will be elaborated in Chapter Seven.

Moreover, a relationship was found between institutional support and early stage business performance, with regulatory (formal institutional) support showing more influence than informal support. Challenges faced by entrepreneurs in accessing support and institutions in providing available institutional support in Saudi Arabia, included bureaucracy, insufficient support, lack of data, and lack of awareness of entrepreneurial support. Ways of overcoming these challenges will be addressed in the Recommendations section of the conclusion chapter.

7. CHAPTER SEVEN: CONCLUSION

7.1. Introduction

Following from the discussion chapter, this chapter provides an overview of the research study. The chapter contains seven main sections. The first section provides a summary of the study, which leads to a summary of the main findings of this research. This is followed by a section on the contributions and implications of this study. After that the limitations of the study are acknowledged. The next section offers suggestions and recommendations to overcome challenges facing entrepreneurship in Saudi Arabia. These are followed by suggestions for future research. Then the researcher's personal reflections of the PhD experience are presented in the last section.

7.2. Summary of the study

As indicated in the introduction chapter, section 1.1 of this study, Saudi Arabia's aim of enhancing economic diversification has resulted in the country showing interest in creation of formal institutional support for the development of entrepreneurship.

Research in the area of institutional support and entrepreneurship is very limited in the context of Saudi Arabia. To the best of the knowledge of the researcher, this study is one of the few studies coming out recently after the announcement of the 2030 vision of the country, covering the two elements of institutional support and entrepreneurship in the context of developing countries, specifically, Saudi Arabia. The scarcity of research in this area left gaps in the literature that this study aims to fill. Therefore, this study investigated the motivation for starting a business, the types of support used by early stage entrepreneurs, the association between the sources and nature of the business idea and the provision of institutional/entrepreneurial support, the relationship between institutional support and early stage business performance, the challenges faced by entrepreneurs in accessing support and institutions in providing available institutional support, and how these challenges can be overcome to enhance entrepreneurship in the context of Saudi Arabia.

This explanatory study used mixed methods in collecting primary and secondary data. It started with a quantitative phase involving a survey of entrepreneurs. This was complemented by secondary data providing a baseline view of salient environmental conditions and support activities, as reported by national and international organisations. In addition, interviews were conducted with early stage entrepreneurs and support providers who offered their perceptions about the role of formal institutional support, and the main factors that influence the institutional environment for entrepreneurship support in Saudi Arabia.

7.3. Summary of the main findings

Based on the discussion of sub-research question one, asking about the most important reasons for starting a business in the context of Saudi Arabia, in section 6.2, it might be concluded that the most important reason that motivates entrepreneurs for starting a business in the context of Saudi Arabia, based on the survey data, is taking advantage of an opportunity. On the other hand, the interview data reveal that some entrepreneurs had felt forced to consider entrepreneurship out of necessity. However, since support was widely available, others identified an opportunity by benefiting from the support. Hence, support could actually turn necessity into opportunity.

With regard to sub-research question two, asking about the types of institutional support used by early stage entrepreneurs in Saudi Arabia, in section 6.3, it was revealed that the main types of institutional support used by early stage entrepreneurs in Saudi Arabia are consultation, finance and networking. However, education and training were among the least used types of support due to their limited availability and perceived low quality.

Based on discussion of sub-research question three, examining the relationship between early stage entrepreneurial ideas and the provision of institutional support, in section 6.4, the evidence indicated that there is a positive relationship between early stage entrepreneurial ideas and the provision of institutional support. Hence, the interview data showed that the business idea is a major element of the support application.

With regard to sub-research question four, examining the relationship between institutional support and early stage business performance, in section 6.5, a positive relationship was found between institutional support, especially the regulatory dimension, and early stage business performance. The net profit might be seen as the most affected aspect of business performance (Section 4.6.1). Therefore, institutional support helps the business performance of early stage entrepreneurs by encouraging them to proceed to the growth stage.

Regarding sub-research question five, aiming to identify the challenges faced by supporters and/or entrepreneurs during the process of providing and accessing entrepreneurial support, in section 6.6, the data indicated that the main challenges faced by entrepreneurs in accessing support in Saudi Arabia are lack of access and poor quality of education and training, bureaucracy, and lack of access to finance. Moreover, the main challenges faced by institutions in providing available institutional support are lack of awareness of support for entrepreneurship and lack of access to data. One challenge that was claimed to affect both entrepreneurs and support providers is institutions working in isolation from each other.

Sub-research question six, concerning how challenges can be overcome to enhance entrepreneurship in Saudi Arabia, is addressed in the Recommendations, section 7.6 below.

7.4. Contributions and implications of the study

This section highlights contributions and implications of the study in three areas: contributions to the development of entrepreneurship theory, contributions to research methodology, and practical implications.

7.4.1. Theoretical contributions and implications

This research study provides a unique view from early stage entrepreneurs of the entrepreneurial support environment in Saudi Arabia. It explored a variety of models and theories reflecting a range of perspectives in section 2.3. The discussion of the findings examined how findings in the entrepreneurial context of Saudi Arabia link to these models and theories. This research study also expands the

evidence base for entrepreneurship theories by providing data from a distinctive and previously under-researched context.

For example, as discussed in section 6.2, some of the entrepreneurs who participated in this study saw themselves acting out of 'necessity'. However, their understanding of necessity seems to be unique to Saudi entrepreneurs. They picked the category of necessity entrepreneurs, not because of the kind of poverty and lack of resources they had or as presented in the literature; they were educated and would almost certainly have had employment options of some kind, but not ones that satisfied their aspirations. The findings thus challenge the "necessity versus opportunity" binary found in the literature, suggesting that 'necessity' is relative. Saudi Arabia is a wealthy country, and these entrepreneurs, with their state-funded higher education, were in many ways privileged. However, these advantages raised certain expectations regarding, for example, salary and working conditions which, until relatively recently, might have been satisfied by government jobs. With an overmanned and burdened public sector unable to accommodate them, and the private sector role still developing, these individuals saw in entrepreneurship, a way of balancing between economic realities and their ambitions, which went far beyond the subsistence 'necessity' presented in the literature.

Other contributions relate to the potential to develop the entrepreneurship models presented in section 2.4 to capture the relationship between entrepreneurial ideas and support, where the models seem insufficient. For example, the processual view (Section 2.4.3) shows entrepreneurs recognising opportunities; however, it does not consider where these ideas come from, or what role is played by support. The GEM model (Section 2.4.4) shows the supportive role of national and entrepreneurial framework conditions, but it does not show whether these apply differently for different kinds of business idea. Therefore, the findings of this study might imply the value of expanding these models, to fill the gaps. For example, in section 2.4.3, 'Support' could act as a factor influencing 'Opportunity' and 'Start-up process' in models of the entrepreneurial process. Also, in the GEM model in section 2.4.4, 'Nature of business idea' could be added as a factor that is affected

by 'Entrepreneurial Framework Conditions' and/or 'Entrepreneurial Opportunities', which are themselves shaped by the availability of support. Figure 7.1 presents a suggested modified version of Bhave's (1994) process model and Figure 7.2 presents a suggested modified version of Shane's (2003) model of the entrepreneurial process, while Figure 7.3 offers suggestions for modification of the GEM model.

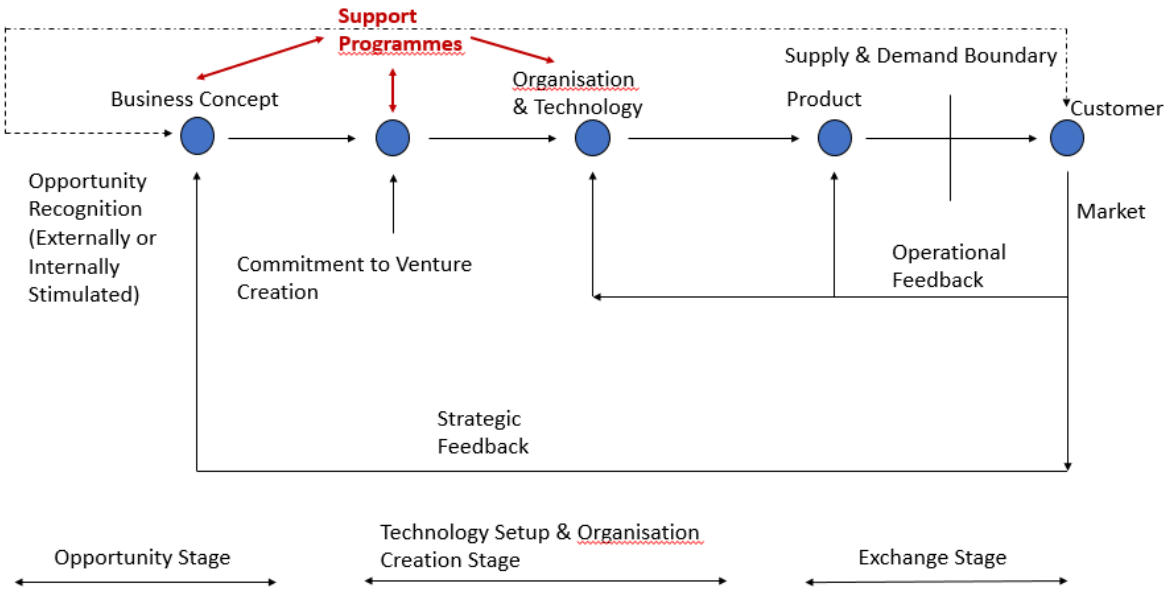

Figure 7.1: A possible modification of Bhave's (1994) model of the venture creation process (Source: Based on Bhave (1994), modified by researcher)

The rationale for the proposed modification of Bhave (1994) in Figure 7.1 is:

1) When a potential entrepreneur forms a business concept, he may approach support programmes; conversely, the availability of support programmes may influence formation of a business concept, hence the double-headed arrow.
2) Alternatively, the potential entrepreneur may approach support programmes when he/she has formed a commitment to venture creation; in turn, support programmes can confirm the entrepreneurial commitment. Thus, the two are linked by a double-headed arrow.
3) The support programmes can assist in the organisation creation and technology acquisition needed to develop the product and in turn enter the market, as in examples uncovered in this study, where entrepreneurs were

helped by, for instance, access to premises, facilitations of licensing, and access to computer networks (Section 5.3).

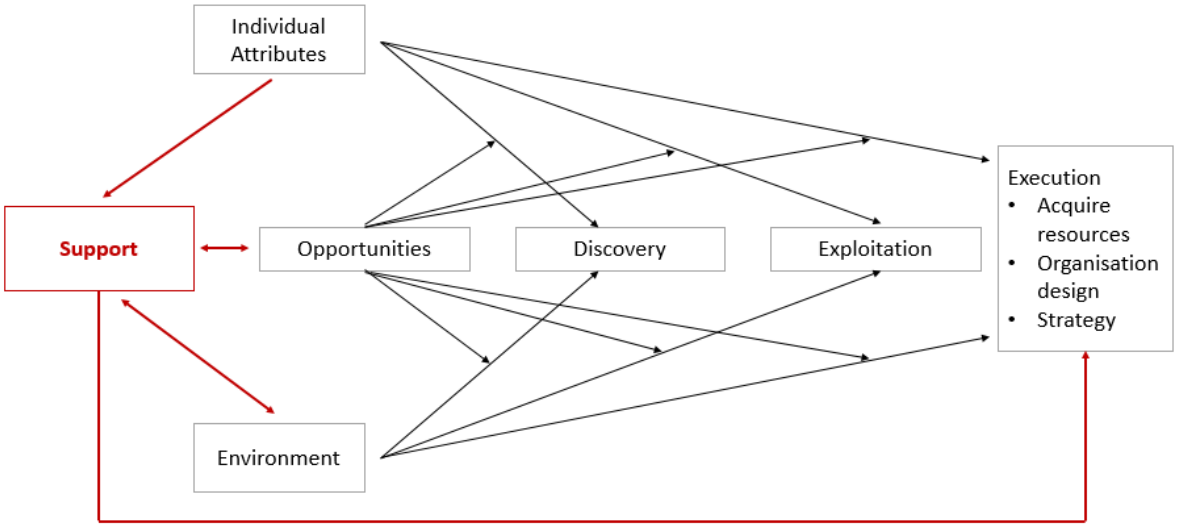

Figure 7.2: A possible modification of Shane's (2003) model of the entrepreneurial process (Source: Based on Shane (2003), modified by researcher)

The modification of Shane's (2003) model (Figure 7.2) is based on the following:

1) The arrow coming from individual attributes towards support shows that individual attributes can affect potential entrepreneurs' access to support. For example, support providers might require certain qualifications and experience as criteria, or may encourage specific groups, such as women (Section 5.3).
2) The double-headed arrow between opportunities and support factors shows that support programmes can affect the availability of opportunities; hence, in this study, interviewed entrepreneurs saw opportunities to establish their own ventures, in part because of the availability of support, such as finance, for certain kinds of projects (Section 5.3). Conversely, available opportunities can shape or influence the creation of support programmes, as when local social and cultural conditions, and/or products, inspired support for ventures exploiting these, for example, in the nascent tourism industry (Section 5.3.1).
3) The double-headed arrow between support and environment factors shows that the environment can influence the availability of support (e.g.

government policy leading to availability of finance), and also, support can change the environment for entrepreneurship, for example by raising awareness in society (Section 5.3.9).

4) The arrow directed from support towards the execution factors shows how support facilitates execution of the idea; for example, in this study, support helped entrepreneurs to obtain equipment (Section 5.3.7) or employ staff (Section 5.6.1.8).

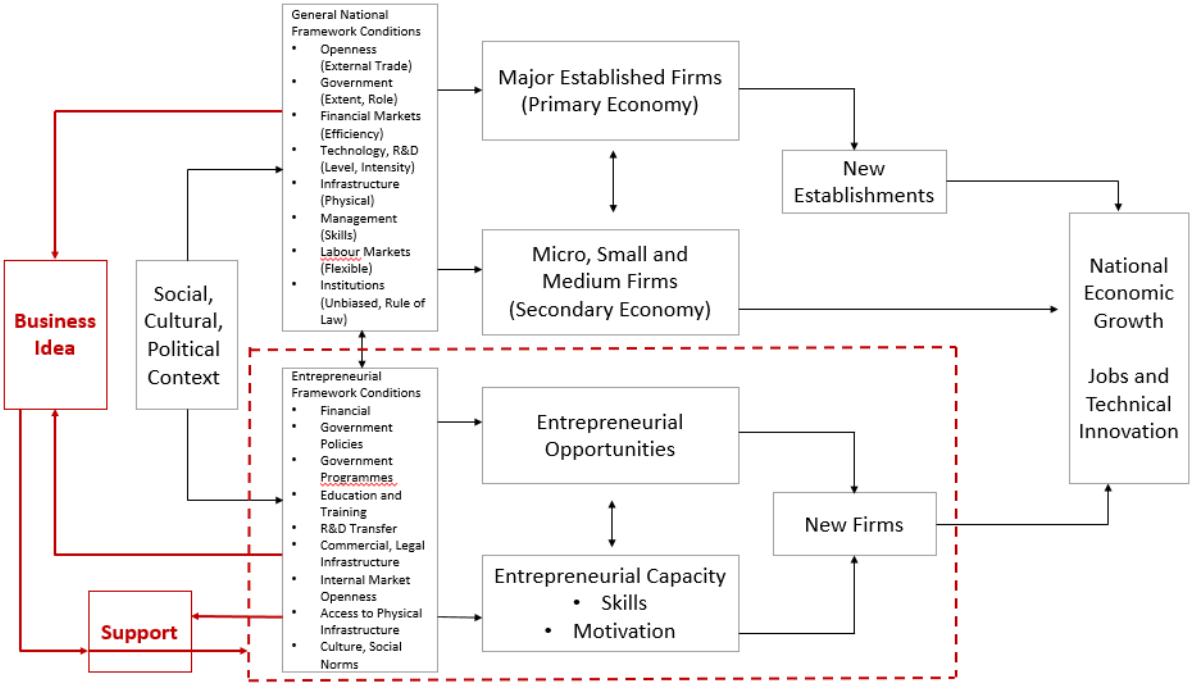

Figure 7.3: A possible modification of GEM's (2005) conceptual model (Source: Based on GEM (2005), modified by researcher)

Figure 7.3, a proposed modification of the GEM (2005) model, is based on the findings of this study, which show the relationship between the business idea and support, and the evidence that support providers are encouraging entrepreneurship in specific areas. The idea here is:

1) The National Framework Conditions (NFCs), Entrepreneurship Framework Conditions (EFCs) and Social/cultural/political context influence formation of the business idea, for example, by making some fields more feasible and/or attractive than others for new venture creation.

2) The nature of the business idea influences the relationship between the EFCs, entrepreneurial opportunity and entrepreneurial capacity, and new firm creation (enclosed in the dashed lines), via support, as for example, in the support given in the current study, to ventures in tourism exploring local crafts and culture (Section 5.4.4).

However, it is important to note that this is only tentative and provisional, due to the limited available data; further research would be needed to confirm the validity of the suggested relationships, and whether they apply equally in different contexts.

Additionally, the researcher formulated new definitions and typologies of entrepreneurship in section 2.2. Specifically, the researcher identified key themes in recent definitions of entrepreneurship in section 2.2.1.2, as: the generation of value or wealth, some degree of innovation or creativity, and the recognition and exploitation of opportunity. After thematic analysis of entrepreneurship definitions, the researcher further attempted to present comprehensive definitions of the concept of entrepreneurship linked to the OECD and GEM.

7.4.2. Methodological contributions and implications

Most previous studies on entrepreneurship have been quantitative, and in particular, quantitative approaches have dominated research in Saudi Arabia, due to cultural norms of privacy that make interviewing difficult, and an immature research culture where there is limited discussion, writing and understanding regarding qualitative methods. For this reason, this study, among a few others, sought to provide deeper insights by taking a mixed method approach using primary and secondary data. Primary data took quantitative and qualitative forms, and secondary data (quantitative) were incorporated in order to provide different and additional insights and to meet the study objectives of examining the role of formal institutional support on early stage entrepreneurs in the context of Saudi Arabia. These three sets of data, starting with the quantitative phase in conducting a survey, secondary data from international and local bodies, and a qualitative phase entailing interviews with early stage entrepreneurs and support providers, in

the area of institutional support and entrepreneurship, bring an additional methodological approach, and deeper understanding of the research among other work in this area and especially in the context of a rich developing country, Saudi Arabia. It could be argued that this combination of methodological approaches can also add confidence to the findings of the study.

In taking such an approach, this study is responding to authors (Alessa, 2013; Alsaleh, 2016; Naushad et al., 2018) who have called for further qualitative or mixed method studies, and/or studies that cover more geographical areas or larger samples in the research area of entrepreneurship, especially in the Saudi Arabian context.

7.4.3. Practical contributions and implications

This research has found that increasing the awareness of entrepreneurial support, as well as working on increasing the awareness of entrepreneurship among individuals and institutions, play a significant role in boosting entrepreneurial activities and therefore, the economy.

Results of survey analysis of this thesis showed in section 4.5.3 a positive and significant relationship between the business idea and the provision of institutional support. Therefore, the implication is that there should be more focus on the business idea, for example, directing would-be entrepreneurs to appropriate business areas, helping them to prepare business plans, and enhancing their research ability when conducting market research, in order to increase their chances of getting institutional support, and ultimately, for entrepreneurship to grow and enhance the economy. Moreover, results in section 4.6.2 showed that the relationship between institutional support and business performance is positive and significant. This suggests that if the government provides more support and increases participation with formal type(s) of support, it will have a positive impact on entrepreneurship in the country.

The study has provided further understanding of the perspectives of support providers and early stage entrepreneurs on the support mechanism from empirical viewpoints, in the context of Saudi Arabia, through a survey with support applicants

and interviews with support providers and users. The insights from this study could be used as a platform for developing support application processes and provision mechanisms. In this respect, the study offers a number of recommendations to the entrepreneurship environment, which are set out in section 7.6.

7.5. Limitations of the research

Working on this research was associated with many limitations. Although each stage of this research has its limitations, the data collection phases were considered to be the most challenging when conducting this research. For instance, the quantitative primary data took a lot of time and effort to collect, manage and to analyse later. Similarly, the qualitative interviews also took a long time and huge efforts to collect, translate, transcribe, and then analyse. However, after completing these phases, the researcher gained greater benefit and enjoyment from the process of the study, looking towards the completion of this PhD project. Some personal reflections on this issue and others are presented in section 7.8 below.

One limitation that may affect the credibility and generalizability of this study is the interview sample. In particular, the small number of entrepreneurs involved and the imbalance between men and women were part of this study limitations; therefore, the potential to reflect the experiences of entrepreneurs with the support system is limited. In particular, the researcher was not able to obtain the agreement of any women entrepreneurs to be interviewed due to the cultural constraints on interactions between the sexes.

Another limitation faced in this study is that there is no objective measure of performance. Measurement of start-ups' business performance was only based on entrepreneurs' perceptions, relative to expectations and not based on financial statements of the participants' projects.

Moreover, there may have been confusion about the terminology used when mentioning mentoring, consulting or coaching. For example, the researcher, while analysing interview data, initially had a code of "Coaching and mentoring" but it was removed, because the data suggested that confusion may have occurred. While interviewees often mentioned mentoring as a type of support, they only

slightly touched upon coaching. As stated in section 5.3.5, mentoring was perceived by providers as the key to success during the support process. Entrepreneurs also saw it as an important part of the support process. However, some contradiction of findings was noticed, where survey analysis indicated a difficulty in obtaining mentoring support, whereas, qualitative data indicated satisfaction with this type. This could be due to the extra details provided by the interviewees explaining the process of allocating mentors to their projects. However, there was also a contradiction here, in the findings on coaching; for example, a support official from NMC stated that this was not provided (Section 5.8.1), whereas survey analysis showed that a percentage of entrepreneurs claimed to have benefited from coaching support. These contradictions could have occurred because of confusion and inconsistency in defining the terms consulting or mentoring, which some participants may not have distinguished.

7.6. Recommendations

This section addresses the sixth sub-research question: How can these challenges be overcome to enhance entrepreneurship in Saudi Arabia?

Despite the importance of entrepreneurial activities to the economy of Saudi Arabia, challenges to the process of support provided to early stage entrepreneurs occurred on a variety of different levels. The following recommendations are proposed as remedies to overcome the challenges mentioned in section 6.6. These recommendations are directed to policy makers, institution officials, entrepreneurs and others.

7.6.1. Recommendations to address challenges for entrepreneurs

The data showed that there is a challenge in regard to lack of access to training and education, as evidenced in section 5.8. Therefore, it is suggested that the educational system, in general, requires development, in terms of including introductory entrepreneurship courses. For example, entrepreneurship education should be included throughout all school stages, starting from primary school until high school. Moreover, it is important to focus on the entrepreneurship education at the higher education level, i.e. colleges and universities across the Kingdom.

Policy makers could take as a model, the Prince Mohammed Bin Salman College for Entrepreneurship, which is run in collaboration with Babson College in the United States (Section 5.8.3), to develop further programmes. Moreover, institutions supporting entrepreneurship are advised to urgently review their entrepreneurial education and training to enhance their support programmes. The need for improved quality of training programmes was claimed by eight out of 13 supporters and four out of seven entrepreneurs as evidenced in section 5.8.1. Therefore, to improve training take-up and value, support institutions should deliver high quality entrepreneurial training programmes.

A number of applicants and support providers emphasised the problem of bureaucracy during the application processes (Section 5.8), as another challenge facing entrepreneurs. Therefore, it is suggested that policy makers should enhance the processing of applications for support by early stage entrepreneurs with all related institutions. The possibility of using technology (apps, websites etc.) could be implemented to reduce the level of bureaucracy, easing and speeding the support application process.

It is also suggested that a group of officials from multiple institutions that are overseen by the government could form a team, which focuses on facilitating the application process, as well as liaising with other institutions to provide support to early stage entrepreneurs. The team's responsibility may include raising awareness by explaining or presenting to other institutions the importance of entrepreneurship to the national economy of the country in terms of economic diversification, as a greater number of start-ups will enhance local communities and create jobs. To make this strategy effective, teams can be established in regional hubs around the Kingdom.

Lack of access to finance as a challenge, as evidenced by an institution official, S13-MAZ in section 5.8, suggested a need for more financial institutions to make financial support to entrepreneurship even more available and accessible to applicants. In particular, banks and financial institutions need to be more flexible and provide sufficient support to early stage entrepreneurs as it seems they do not, according to evidence from secondary data in section 4.2.1.1.

7.6.1.1. Recommendations to address challenges for entrepreneurs by support providers

Although the findings of this study show that entrepreneurs perceived consulting and mentoring support provided by governmental institutions well, it might be better to involve coaching services through business incubators, as suggested by support officials cited in section 5.8.1, since such entities can help in increasing the rate of early stage entrepreneurs' survival and success, according to Aaboen (2009). It is highly recomended to include coaching as a type of support to the entrepreneurship environment in Saudi Arabia in order to reduce the number of start-up failures. Coaching can be added through business incubators to support early stage entrepreneurs to overcome the risk at the beginning period of their projects until reaching the growth stage.

7.6.2. Recommendations to address challenges for support providers

Because the data showed that there is a challenge in regard to lack of awareness of the availability of entrepreneurial support, it is suggested that it is crucial to encourage efforts to promote awareness of entrepreneurship among individuals and institutions. As some participants suggested, one option could be including entrepreneurial education in the school system from the early years through to higher education, in order to contribute to raise the level of awareness of entrepreneurship and entrepreneurial support (Section 5.8.4).

Because the data showed that there is a challenge in regard to lack of access to data, it is suggested that data about entrepreneurial activities should be made publicly available to the benefit of entrepreneurs, support institutions, policy makers, researchers and others. Monsha'at has already started initiatives in this regard; however, it is advised that it should provide more and play a role in making data publicly available. Moreover, sets of data that are collected by governmental and private institutions, including type of business registration, financial data, growth and employment of MSMEs and entrepreneurial activities in Saudi Arabia, should be made publicly available on governmental and private institutions' websites, as well as in their libraries.

Furthermore, the need for more research in the field of entrepreneurship in Saudi Arabia was raised in section 5.8.5, which emphasized the scarcity of published studies in the area. Universities and research centres are encouraged to make more efforts in this regard. For example, they could provide research grants and scholarships for graduate studies to enhance research on the entrepreneurship field of Saudi Arabia.

In addition, there is a need to raise awareness of the importance of the research among various communities. For the benefit of future research, specifically, in the context of Saudi Arabia, we (researchers, the academic community with the cooperation of the local communities), need to work closely and based on a clear/specific plan to raise awareness of the importance of research. Personally, I am planning to prepare a proposal to the Ministry of Education, for raising awareness of the importance of the academic research among local communities and encouraging them to support the research process and researchers. This could be done by getting local communities involved in some aspects of the research process and introducing research to elementary and secondary schools as well.

7.6.3. Recommendations to address challenges for both entrepreneurs and support providers

Because the data showed that there is a challenge in regard to institutions working in isolation from others, it is suggested that support institutions should cooperate together. For example, they could meet on a regular basis to stay up to date in terms of support information, by discussing it, and sharing data among each other. In addition, the Small and Medium Enterprises General Authority in Saudi Arabia (Monsha'at) could organize events where all support institutions can meet and benefit from each other's experiences and expertise.

7.7. Suggestions for further research

In order to overcome the limitations of this study, we would suggest that future research might take this study further in a number of ways. One way could be expanding the sample of this study, not only in terms of size, but also the range of interests and perspectives included. This could be achieved by increasing the

number of participants, especially, women's participation. Also more institutions could be added, for example, governmental and private institutions that are directly supporting entrepreneurship, or other types of institutions that are not necessarily dealing directly with entrepreneurs, but whose activities could affect them, such as the tax authority, or law courts that deal with dispute settlement.

Moreover, a longitudinal study is recommended to follow a selected group of new entrepreneurs over time. This would provide information on the ongoing relationship between entrepreneurs and supporters and how support operates at different stages of the start-up. Another idea would be to study a stratified sample of different types of business to provide more information on how the nature of the business idea affects the support process. There is also need for an objective measure of business performance to be used in evaluating the impact of support.

Also, future research could include more regions, or focus on a specific one. More importantly, we recommend that research focus on looking at categories of business start-up that are recently entering the market, such as IT-related start-ups, media projects and transportation-related projects, including the new train system implemented across the Kingdom in recent years. In addition, future research might take the study further by, for example, exploring in more depth issues that emerged as important in this study, such as the awareness of the importance of entrepreneurship, how to improve the level of awareness, the impact it has on entrepreneurial activities, and its effect on business performance.

It would also be of interest to explore entrepreneurship issues from a different perspective by looking at applicants that failed to pursue their support applications or others who did not apply to the support institutions for various reasons, to investigate what prevented them from benefiting from the support available and exploiting their opportunity.

Future research might also be interested to evaluate the progress of the Saudi institutional support for entrepreneurs in periods after this study. They may also look at what conditions other than support are needed to promote the success of entrepreneurship in a developing or transitional economy, such as Saudi Arabia.

Part of the researcher's future plan is to follow up the current study by looking at some of its participants and their business performance and the impact of the support used, in a few years' time. It would also be of interest to the researcher to investigate another developing country and possibly to compare its experience with the findings of the current study. Overall, further research might advance entrepreneurship theory by providing further insights into the relationship between entrepreneurship and economy, as well as increasing understanding of cultural influences on entrepreneurship.

7.8. Lessons learned

As a personal reflection, doing research has positively affected my personality and my ways of thinking. For example, the research played a major role of broadening my view of the world. It made me conscious and aware to some extent to not easily judge others (people, ideas, objects, etc) based on personal assumptions. As an individual, I saw myself becoming more patient in comparison to previous situations where I responded and reacted instantly without measuring the results and outcomes of my actions. In addition, I learned that I needed to make sure to obtain information from credible sources before sharing it with others. At the same time, I try whenever possible, to give credit to people owning the ideas and to cite them when using their ideas. This occurred in many situations, for instance, as simple as receiving the news, I began to search further for credible sources and started to look at more than one source to be able to look at all aspects of the situation.

Furthermore, I have benefited from doing research in many other ways on a daily basis. Accepting others' opinions and starting to think about them, trying to understand their stance and point of view, helped me to stay calm in order to develop an interesting discussion. Hence, it took me a while to realise the importance of research.

I believe that it is a very important to realize the value of research, and to spread this awareness. In its basic idea, and from our daily life, we conduct some types of research when buying food, drinks, clothes and other items. We also conduct some types of research when we look for a school to go to or to send our children to.

There are many other types of research that people conduct in life, where we see the incredible advancement of technology at the present time compared to the last century for example. Because of that, it is important to be aware of the importance of research and, I believe that we are responsible for spreading this awareness.

One of the things that I learned during the course of this study was how much more difficult it was to collect data, then I had expected, and how apparently minor issues of wording and presentation could influence potential respondents. Rowley (2014) mentioned that many researchers assume that questionnaires are easy to design and use. I was one of them, but not anymore. Since the first moment of trying to design a questionnaire, I realized that it is not an easy task. It took me a lot of effort and time to design the questionnaire, to test it and then to use it, especially when thinking of designing a survey that should be good enough to collect enough responses in order to answer my research questions. An important point I have learned, is that the questionnaire items should be clear, understandable by others and easy to read. Moreover, I had to make it short enough to encourage responses. Initially, I had more than 85 items and my supervisors urged me to cut more than half of them. I was shocked, but it turned out that they were right! I learned a lesson: Novice researchers should listen to experienced ones.

Despite my inexperience, I tried to build a good relationship with the participants of my study, both survey participants and the interviewees. This enabled me to go back and clarify some points and even ask more questions, when needed. At the same time, building relationship through good communications with participants allowed them to feel good about the research, developed an interest on it, feel comfortable, share more information and contribute more. In the meanwhile, they could be potential contacts for a future research plan.

7.8.1. Advice from other fellow researchers that have proven to be true for me

I find it difficult to come back to the research and return to the rhythm/mode of research after focusing on doing something else. For example, it was hard to get

back to the mode of conducting interviews for the second phase of data collection after the interviews I had conducted for the pilot study phase.

This applies to other research tasks as well. When it came to reading, writing, or revising. I needed to push myself to keep on track. I used a variety of methods in order to do so, like changing the place of study, from the PhD office, to the library, to coffee shops, and back to the PhD room. Home was sometimes a conducive location, while the children were asleep or at school.

Sharing ideas with others is very important to get out of isolation and listening to other researchers' experiences helped reduce stress and sometimes anxiety. I was lucky enough to build a network of researchers during my research journey, starting with the annual Manchester Metropolitan University (MMU) Business School Symposium, MMU annual conference, where I participated and volunteered, British Academy of Management (BAM) annual conference, where I joined the entrepreneurship track as a Special Interest Group (SIG) chaired by Professor Dilani Jayawarna and Professor Natalia Vershinina. Based on my experience of attending, over four years, symposiums, conferences and events of BAM, I can confidently recommend it to all PhD researchers. I gained a lot in terms of feedback, comments, skills, and ideas.

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Appendixes

Appendix 1 – Questionnaire – English

INFORMATION TO PARTICIPANTS

This is a Doctoral (PhD) research work which intends to obtain data on the role of formal institutional supports for entrepreneurship/business firms in Saudi Arabian environment. It is anticipated that the results to be generated by your responses and those of others will help to enable researchers, the Saudi authorities and agencies to obtain a better understanding of the obstacles which entrepreneurs, small and medium-sized enterprises face in Saudi Arabia.

It will be appreciated if you can carefully complete the items therein. Since there are no right or wrong answers, you are free to choose any of the alternatives that best expresses your perspective. It should not take more than approximately fifteen minutes to complete this questionnaire.

Thank you for your anticipated participation. If you have any questions about the study, please contact the researcher, Mr. Thamer Alkhaldi, via email: thamer.s.alkhaldi@stu.mmu.ac.uk, tkhaldi@hotmail.com, or telephone +966556841650. You can also contact the research's supervisors, Dr. Emmanuel Cleeve, email E.Cleeve@mmu.ac.uk, or Dr. Jackie Brander-Brown, email J.Brander-Brown@mmu.ac.uk

ANONIMITY AND CONFIDENTIALITY

The researcher guarantees and assures your anonymity and confidentiality, as your responses will be used only for the purpose of this research. Meanwhile, this study also involves interviewing some willing entrepreneurs on this subject, if you are willing to participate further, kindly tick and complete the boxes below. Thank you.

I wish to be contacted for an interview on this study ☐

Please contact me on: Phone _____

or Email _____

FOR OFFICE USE ONLY	
Questionnaire No.	
Date received	
Date Entered	

Manchester Metropolitan University
Business School

The Role of Formal Institutional Support on Starting a Business: Evidence from Saudi Arabia

GENERAL INSTRUCTION: *Please tick (✓), circle or complete as necessary*

SECTION A: BIO DATA

The aim of this section is to get a few biographical details.

A1	Gender	
	Male	1
	Female	2
A2	Which of the following best describe your age group?	
	20 years or under	1
	21 – 30	2
	31 – 40	3
	41 – 50	4
	51 – 60	5
	Over 60	6
A3	In which region do you have your project?	
	Northern Province	1
	Southern Province	2
	Central Province	3
	Eastern Province	4
	Western Province	5
A4	In all, how many years did you work before you started your present business?	
	None	1
	Less than 1year	2
	1 – 5	3
	6 – 10	4
	11 – 15	5
	16 – 20	6
	Over 20 years	7
A5	Which of the following best describes the highest level of education you have completed?	
	High school or less	1
	Diploma	2
	Bachelor's degree (B.Sc., BA)	3
	Postgraduate degree (e.g. Masters, MBA)	4
	Doctorate, PhD	5
	Others	6
A6	Apart from the highest level of education described above, did you attend and complete any business or entrepreneurial training, seminar or courses before or after the commencement of your business?	
	Yes	1
	No	2
	Cannot remember	3

SECTION B – INFORMATION ABOUT BUSINESS

The focus of this section is to gather information about your business. In case you have or are involved in more than one business kindly focus on the most recent one and answer the following questions. Once again your (and your business) anonymity and confidentiality is guaranteed as stated above.

B1	How old is your business?	
	Less than 1 year	1
	1 to less than 2 years	2
	2 to less than 3 years	3
	3 to 3.5 years	
	More than 3.5 years	4
B2	In which of these categories would you classify this business?	
	Manufacturing	1
	Hospitality (hotel, restaurant, cafe or takeaway)	2
	Training (centre, firm)	3
	Education (School) or Social services	4
	Logistics (e.g. Transportation or Freightage)	5
	Information Technology	6
	Retailing	7
	Wholesaling	8
	Law firm / Legal services	9
	Health (Clinic, Pharmacy)	10
	Others (please state)	11
B3	How would you describe your business?	
	An independent new business created by an individual or a team working on their own	1
	A purchase or take-over of existing business	2
	A franchise	3
	Something else (please state)	4
B4	Roughly, how many full-time employees currently work for your organisation?	
	1-5	1
	6-49	2
	50-249	3
	250 and above	4

SECTION C– DECISION TO START A NEW BUSINESS

The aim of this section is to understand what informed your decision to start the business.

C1	Which of the following is the most important reason you decided to start a business?	
	Take advantage of support provided to entrepreneurs	1
	Take advantage of an opportunity	2
	Necessity (e.g. unemployment)	3
	Employed, but seek additional sources of income	4

SECTION D: SOURCES AND NATURE OF IDEA

This section aims to understand the nature and sources of the idea you seek to pursue. That is, we would like to know if this idea was already in existence before you discovered it or it is a completely new idea you created. 1 – Strongly Disagree; 2 – Disagree; 3 – Neutral; 4 – Agree; 5 – Strongly Agree

D1	My business idea is novel	1	2	3	4	5
D2	My business idea is unique to my local area	1	2	3	4	5
D3	My business idea is an extension to an existing business	1	2	3	4	5
D4	The idea stemmed from experience from my previous employment	1	2	3	4	5
D5	My business idea resulted from product/service unavailability in the market	1	2	3	4	5
D6	My business idea is a result of participation in exhibition or trade fair	1	2	3	4	5
D7	My business idea is built on my technical knowledge	1	2	3	4	5
D8	My business idea is aimed at providing solutions to community problems	1	2	3	4	5
D9	The idea was a product of laboratory/workshop experiments	1	2	3	4	5

SECTION E: COUNTRY INSTITUTIONAL PROFILE FOR ENTREPRENEURSHIP – 1. REGULATORY DIMENSION

The aim of this section is to understand your perception on support available for entrepreneurs in Saudi Arabia.

As an entrepreneur starting a new business, how would you rate support available to businesses from the following statements? 1 – Strongly Disagree;2 – Disagree;3 – Neutral;4 – Agree;5 – Strongly Agree		1	2	3	4	5
E1	Saudi Arabian government sponsors individuals starting their own business	1	2	3	4	5
E2	In Saudi Arabia, there is sufficient financial support available for new start-ups	1	2	3	4	5
E3	New and innovative businesses can get easy loans from financial institutions	1	2	3	4	5
E4	There are sufficient subsidies available from entrepreneurship sponsors for new firms	1	2	3	4	5
E5	State laws (rules and regulations) are favourable to starting and running a new business	1	2	3	4	5
E6	The government provides legal protection to most newly-created businesses	1	2	3	4	5
E7	All property rights are clear and protected by law	1	2	3	4	5

E8 - Based on the answers for regulatory dimension questions, my intention to start a business had:				
Decreased	Slightly decreased	Remained the same	Slightly increased	Increased
1	2	3	4	5

SECTION E: 2. COGNITIVE DIMENSION

The aim of this section is to understand your perception on people's awareness of the entrepreneurship process.

As an entrepreneur starting a new business, how would you look at these practices from the following? 1 – Extremely unlikely;2 – unlikely;3 – Neutral;4 – likely;5 – Extremely likely		1	2	3	4	5
E9	Individuals know how to legally register and protect a new business	1	2	3	4	5
E10	Those who intend to start a new business know how to manage risk	1	2	3	4	5
E11	Most people know where to find information about markets for their products	1	2	3	4	5
E12	University and college education provides adequate entrepreneurship education	1	2	3	4	5
E13	Universities and other learning institutions provide advisory and development support for a new business	1	2	3	4	5

E14 - Based on the answers for cognitive dimension questions, my intention to start a business had:				
Decreased	Slightly decreased	Remained the same	Slightly increased	Increased
1	2	3	4	5

SECTION E: 3. NORMATIVE DIMENSION

The aim of this section is to understand perceptions towards entrepreneurs in their society.

As an entrepreneur starting a new business, how would you rate the perceptions of other community members towards you from the following statements? 1 – Strongly Disagree;2 – Disagree;3 – Neutral;4 – Agree;5 – Strongly Agree		1	2	3	4	5
E15	Saudi society at large welcomes new venture creation	1	2	3	4	5
E16	Innovative and creative thinking is viewed as the route to success	1	2	3	4	5
E17	Entrepreneurs in Saudi Arabia are seen as successful role models	1	2	3	4	5

E18 - Based on the answers for normative dimension questions, my intention to start a business had:				
Decreased	Slightly decreased	Remained the same	Slightly increased	Increased
1	2	3	4	5

SECTION F: Business Performance

The objective of this section is to get your opinion on the relative performance of your business from commencement to date.

For each of the following business outcomes do you think your result so far has been better, worse or equal to what you expected when you started this business? ***Much Worse: 1; Worse: 2; As expected: 3; Better: 4; Much Better: 5***		1	2	3	4	5
F1	Net profit (Sales minus operational cost)	1	2	3	4	5
F2	Development of sales (change or growth in the volume of sales)	1	2	3	4	5
F3	Cash flow (inflows minus outflow of money)	1	2	3	4	5
F4	Growth of the company's value (Net Assets)	1	2	3	4	5

SECTION G: ENTREPRENEURIAL SUPPORT

The aim of this section is to understand the types of support used by entrepreneurs and how they evaluate them.

Name of institution ↓↓	Finance	Training	Education	Consultation	Coaching	Mentoring	Networking	I would recommend them? Yes	I would recommend them? No
National Entrepreneurship Institute									
Social Development Bank									
HRDF									
Namaa Almunawara									
Waed									
BADIR Program Technology Incubator									
Umm Alquraa University									
Others, please state									

	If you are interested, please put your contact info for further interview. Thanks	
	Please provide any comments or suggestions	

THANK YOU for taking time to complete this survey.

Appendix 2 – Questionnaire – Arabic

أخى الكريم، أختى الكريمة،
السلام عليكم ورحمة الله وبركاته،
أنا باحث دكتوراه، فى جامعة مانشستر ميتروبوليتان فى المملكة المتحدة وعضو هيئة التدريس بجامعة المجمعة. أقوم حاليا ببحث عن أثر دعم المؤسسات الرسمية لريادة الأعمال على المشاريع الناشئة بالمملكة العربية السعودية. وكجزء أساسي من البحث أجمع جزء من البيانات عن طريق هذه الإستبانة العلمية المخصصة لهذا الغرض.
تعبئة الاستبانة سيستغرق في حد أقصى ١٥ دقيقة من وقتكم، لكنها مساهمة كبيرة ومقدرة تجاهكم. البيانات المقدمة من قبلكم ستستخدم فقط لغرض البحث العلمي وستتعامل بسرية تامة، ولن يتطلب ذكر الاسم في الإستبانة.

للتواصل أو في حالة وجود استفسار، فعنوان البريد الإلكتروني الخاص بالباحث والمشرفين الأكاديميين كالتالي:

thamer.s.alkhaldi@stu.mmu.ac.uk
tkhaldi@hotmail.com
+966556841650
Dr. Emmanuel Cleeve, email E.Cleeve@mmu.ac.uk
Dr. Jackie Brander-Brown, email J.Brander-Brown@mmu.ac.uk

حفظكم الله ورعاكم،
أخوكم: ثامر بن سعود الخالدي
باحث دكتوراه – المملكة المتحدة

إن رغبتم في المشاركة في المقابلات الشخصية للمرحلة الثانية، أرجو التكرم بتزويدن ببيانات التواصل أدناه،
شاكرا تعاونكم ومقدرا وقتكم الثمين.

رقم الهاتف

البريد الإلكتروني

FOR OFFICE USE ONLY	
Questionnaire No.	
Date received	
Date Entered	

Manchester Metropolitan University
Business School

إستبيان عن دور دعم المؤسسات الرسمية لريادة الأعمال بالمملكة العربية السعودية
The Role of Formal Institutional Support on Starting a Business: Evidence from Saudi Arabia

Please tick (✓), circle or complete as necessary

SECTION A– BIO DATA
معلومات عامة عن الريادي – صاحب المشروع

A1	الجنس	
	ذكر	1
	أنثى	2
A2	كم عمرك؟	
	عشرون سنة أو أقل	1
	21 – 30	2
	31 – 40	3
	41 – 50	4
	51 – 60	5
	أكثر من ستين سنة	6
A3	في أي منطقة يقع مشروعك ؟	
	المنطقة الشمالية	1
	المنطقة الجنوبية	2
	المنطقة الوسطى	3
	المنطقة الشرقية	4
	المنطقة الغربية	5
A4	الخبرة العملية قبل بداية مشروعك الحالي	
	لا يوجد	1
	أقل من سنة واحدة	2
	1 – 5	3
	6 – 10	4
	11 – 15	5
	16 – 20	6
	أكثر من عشرين سنة	7
A5	المؤهل الدراسي	
	ثانوية عامة فاقل	1
	دبلوم فوق الثانوي	2
	بكالوريوس	3
	ماجستير	4
	دكتوراة	5
A6	هل التحقت بدورات تدريبية أو محاضرات تهتم بمجال ريادة الأعمال قبل أن تبدأ مشروعك	
	نعم	1
	لا	2
	لا أتذكر	3

SECTION B – INFORMATION ABOUT BUSINESS
معلومات عامة عن المشروع

B1	متى تأسس مشروعك؟	
	أقل من سنة	1
	من سنة واحدة إلى أقل من سنتين	2
	من ثلاثة إلى ثلاثة سنوات ونصف	3
	أكثر من ثلاثة سنوات ونصف	4
B2	إلى أي قطاع ينتمي مشروعك؟	
	القطاع الصناعي	1
	قطاع الضيافة (مقاهي ,مطاعم ,فنادق)	2
	قطاع التدريب (شركة ,مركز)	3
	قطاع التعليم – مدارس وخدمات إجتماعية	4
	الخدمات اللوجستية – النقل والشحن	5
	تقنية المعلومات	6
	التجزئة	7
	مبيعات الجملة	8
	مكتب محاماة \ خدمات قانونية	9
	القطاع الصحي - صيدلية ,مستوصف	10
	أخرى (الرجاء قم بالتحديد)	11
B3	مشروعي عبارة عن:	
	مشروع جديد ومستقل، قمت بتأسيسه بنفسي \ أو بمساعدة فريق عمل معي	1
	مشروع تم شراؤه، حيث أنه كان مشروعا قائما من قبل	2
	مشروع بنظام حق الإمتياز	3
	غير ذلك – الرجاء التوضيح	4
B4	كم عدد الموظفين لديك في المشروع تقريباً؟	
	من 1 إلى 5 أفراد	1
	من 6 إلى 49 فرد	2
	من 50 إلى 249 موظف	3
	250 فردا فأكثر	4

SECTION C– DECISION TO START A NEW BUSINESS
الأسباب التي دفعت الريادي لإبتداء المشروع

C1	أيٍ من الأسباب التالية يعتبر أكثر أهمية لك لبدايتك لمشروعك؟	
	للإستفادة من الدعم المقدم لرواد الأعمال	1
	للإستفادة من الفرص المتوفرة في السوق	2
	ليس لي خيار آخر (للضرورة أو لعدم وجود وظيفة)	3
	لدي وظيفة ولكن أرغب في زيادة دخلي	4

SECTION D: SOURCES AND NATURE OF IDEA
مصدر فكرة المشروع الريادي

	الرجاء اختيار المناسب من النقاط التالية *1. لا أتفق تماما 2. لا أتفق 3. محايد 4. أتفق 5. أتفق تماما*	1	2	3	4	5
D1	تعتبر فكرة مشروعي فكرة جديدة تماما	1	2	3	4	5
D2	تعتبر فكرة مشروعي فكرة جديدة في حدود المنطقة أو المدينة التي أعمل بها	1	2	3	4	5
D3	تعتبر فكرة مشروعي فكرة غير جديدة على الإطلاق	1	2	3	4	5
D4	أتت فكرة المشروع من خبرتي العملية السابقة	1	2	3	4	5
D5	أتت فكرة المشروع من خلال إحتياج شخصي لمنتج أو خدمة معينة ولم يكن يتوفر هذا المنتج أو الخدمة	1	2	3	4	5
D6	أتت فكرة المشروع من خلال تواجدي في الخارج لحضور مؤتمر أو معرض أو للدراسة	1	2	3	4	5
D7	أتت فكرة المشروع من خلال خبرتي التقنية المكتسبة من خلال دراستي الجامعية	1	2	3	4	5
D8	أتت فكرة المشروع من خلال المحاولة لإيجاد حل لمشكلة شخصية أو تتعلق بالعائلة أو بالمجتمع	1	2	3	4	5
D9	أتت فكرة المشروع من خلال توفير منتج بواسطة المعامل و المختبرات وعبر التجارب العلمية	1	2	3	4	5

	مهني متير للإعجاب في المملكة العربية السعودية وينظر لأصحابها كأشخاص يقتدى بهم					

بناء على إجاباتي السابقة، رغبتي في أني أقوم \ قمت بإبتداء مشروعي الخاص: E18 –				
ارتفعت	ارتفعت قليلا	لم تتغير	انخفضت قليلا	انخفضت
5	4	3	2	1

SECTION F: Business Performance

تقييم الريادي لمستوى الأداء لمشروعه الناشئ والمدعوم من الجهات الرسمية في السعودية

	ما هو توقعكم بحسب النقاط أدناه، 1. يعتبر الوضع أسوأ سيء 3. كما هو متوقع 4. الوضع أفضل 5. أفضل بكثير	1	2	3	4	5
F1	مشروعي حاليا يقوم بتغطية المصاريف – أي لا أرباح و لا خسائر	1	2	3	4	5
F2	تطوير المبيعات – من حيث التغير أو النمو في حجم المبيعات	1	2	3	4	5
F3	يعتبر وضع الموارد المالية في مشروعي حاليا	1	2	3	4	5
F4	من ناحية النمو في قيمة المشروع أو الشركة	1	2	3	4	5

SECTION G: ENTREPRENEURIAL SUPPORT

تقييم الريادي للدعم الرسمي المقدم من الجهات الداعمة للمشاريع الناشئة في السعودية وتقييمه لها

اسم الجهة الداعمة	*أي من أنواع الدعم التالية استفدت منها*							*أنصح بالدعم المقدم من هذه الجهة؟*	
	Networking معارف	Mentoring إرشاد	Coaching توجيه	Consultation استشارات	Education تعليم	Training تدريب	Finance مالي	نعم	لا
معهد ريادة الأعمال الوطني									
بنك التنمية الإجتماعية (بنك التسليف والإدخار)									
صندوق تنمية الموارد البشرية-هدف									
نماء المنورة									
برنامج واعد									
جامعة أم القرى									
أخرى – الرجاء تحديد الجهة									

	أرغب أن أقوم بعمل مقابلات هاتفية، إن لم يكن لديكم مانع، تفاد منكم التكرم بوضع رقم التواصل أدناه مع الشكر والتقدير	
	أرجو التكرم بإبداء أي رأي أو إقتراح	

شكرا جزيلا على مشاركتكم

SECTION E: COUNTRY INSTITUTIONAL PROFILE FOR ENTREPRENEURSHIP – 1. REGULATORY DIMENSION

تقييم الريادي للدعم الرسمي المقدم للمشاريع الناشئة في السعودية

	ما هو تقييمك للدعم المقدم للمشاريع الناشئة *اختر بحسب التالي: 1. لا أتفق تماما 2. لا أتفق 3. محايد 4. أتفق 5. أتفق تماما*	1	2	3	4	5
E1	تقدم الجهات الداعمة لريادة الأعمال في السعودية المساعدة للأفراد للبدء بمشاريعهم التجارية	1	2	3	4	5
E2	يعتبر الدعم المادي في المملكة العربية السعودية متوفراً للمشاريع الناشئة/الجديدة	1	2	3	4	5
E3	تنال المشاريع ذات الأفكار الإبداعية على قرض/سلفة من المؤسسات المالية بسهولة	1	2	3	4	5
E4	يعتبر الدعم المقدم من الجهات الداعمة لريادة الأعمال كافياً	1	2	3	4	5
E5	تعتبر الأنظمة واللوائح الحالية ملائمة لبدء المشاريع الناشئة و العمل على إدارة المشاريع الجديدة	1	2	3	4	5
E6	تقدم الجهات الحكومية حماية نظامية وقانونية للمشاريع الناشئة	1	2	3	4	5
E7	جميع حقوق الملكية واضحة ومحمية بموجب القانون	1	2	3	4	5

بناء على إجاباتي السابقة، رغبتي في أني أقوم \ قمت بإبتداء مشروعي الخاص: E8 –				
ارتفعت	ارتفعت قليلا	لم تتغير	انخفضت قليلا	انخفضت
5	4	3	2	1

SECTION E: II- COGNITIVE DIMENSION

تقييم الريادي لمدى الوعي والمعرفة بمتطلبات المشاريع الناشئة في السعودية

	ما هو تقييمك للممارسات التالية *اختر بحسب التالي: 1. لا أتفق تماما 2. لا أتفق 3. محايد 4. أتفق 5. أتفق تماما*	1	2	3	4	5
E9	لدي الإلمام بكيفية تسجيل مشروعي التجاري الناشئ بشكل قانوني	1	2	3	4	5
E10	لدي الإلمام بإدارة المخاطر التي تواجه المشروع	1	2	3	4	5
E11	لدي معرفة عن كيفية إيجاد المعلومات اللازمة عن السوق ومنتجاته	1	2	3	4	5
E12	يوفر التعليم الجامعي التوعية الكافية لبدء المشاريع وريادة الأعمال	1	2	3	4	5
E13	تقدم المؤسسات والجهات التعليمية الأخرى الإستشارات والتوجيه لتطوير الدعم المقدم للمشاريع الناشئة	1	2	3	4	5

بناء على إجاباتي السابقة، رغبتي في أني أقوم \ قمت بإبتداء مشروعي الخاص: E14 –				
ارتفعت	ارتفعت قليلا	لم تتغير	انخفضت قليلا	انخفضت
5	4	3	2	1

SECTION E: III - NORMATIVE DIMENSION

تقييم الريادي لنظرة المجتمع السعودي للرياديين و للمشاريع الناشئة في السعودية

	ما هو تقييمك للممارسات التالية *اختر بحسب التالي: 1. لا أتفق تماما 2. لا أتفق 3. محايد 4. أتفق 5. أتفق تماما*	1	2	3	4	5
E15	بشكل عام، يعتبر المجتمع السعودي مجتمعا يرحب بإنشاء المشاريع الريادية الجديدة	1	2	3	4	5
E16	يعتبر الإبداع والتفكير الخلاق أساس طريق إلى النجاح	1	2	3	4	5
E17	إن تحويل الأفكار الإبداعية إلى مشاريع هو مسار	1	2	3	4	5

Appendix 3 - The interview questions which were developed for conducting interviews with officials from supporting institutions and entrepreneurs.

Interview questions with officials from supporting institutions:

1. What type of support do you provide to entrepreneurs in Saudi Arabia?
2. In your opinion, what is the impact of this support on entrepreneurs in Saudi Arabia?
3. A number of entrepreneurs mentioned difficulty and challenges in getting support. What is your view on this?
4. How do you view the sufficiency of this support at the present time?
5. What are the challenges, problems, or obstacles that you face when providing support?
6. Intention is a very important to start a business. What do you think of applicants coming/applying to your institution to get support, in terms of their intention? Has their intention to continue with their business idea increased, decreased, or remained the same during the course of the application process?
7. It is important for entrepreneurs to be aware of the sources of support and processes involved in obtaining licences and other legal documents. What do you think are the issues in awareness, from your experience in the field? What do you do to promote awareness? How does the lack of awareness affect the support mechanisms?
8. What is your impression of the demographic balance among applicants gender, age group, level of education, prior entrepreneurial or business training, and previous experience in entrepreneur' applications for any type(s) of support, and how do such factors influence your decision?
9. How do you perceive the regional distribution of support?
10. What types of educational support are available for early stage entrepreneurs in Saudi Arabia and how do you view the educational role?
11. Survey responses suggested participants had doubts as to the availability of sufficient subsidies, the role of state laws in creating a favourable

entrepreneurship environment, legal protection for new businesses, and protection of property rights. What is your view on this?

12. What factors influence your decision when granting support (especially, financial support)?
13. Does the business idea have an effect on the entrepreneurs' support application being accepted, or not? What features do you look for in a good business idea? Do you prefer any particular sector or type of activity?
14. Would you like to add anything else?

    Thank you for your participation!

Interview questions with entrepreneurs:

1. What was the most important reason you decided to start a business?
2. How would you describe your business idea? How clear was it when you first thought of starting up?
3. How do you view formal institutions sponsoring individuals starting their own business in Saudi Arabia?
4. How do you view the sufficiency of support provided at the present time?
5. What types of support have you used, from which institutions and how do you rate them?
6. Can you tell me about any challenges you have faced in getting support?
7. If you have not applied for support, why was that?
8. Have you ever had a support application rejected? If so, what was the reason?
9. What did you know about how to legally register and protect your new business when you started your business?
10. What did you know about how to manage risk when you started your business?
11. What did you know about how to find information about markets for your products?
12. How do you view the sufficiency of university and college education on entrepreneurship and in providing advisory and development support for a new business?

13. How do you view Saudi society in terms of welcoming new venture creation, viewing innovative and creative thinking, and seen entrepreneurs as successful role models?
14. What do you think of your business performance so far? How does it compare to what you expected?

Thank you for your participation!

Appendix 4 – The interview questions – Arabic

أسئلة المقابلات الشخصية مع المسؤولين فى المؤسسات الرسمية الداعمة لريادة الأعمال بالمملكة العربية السعودية

1) ما هي أنواع الدعم المقدمة من قبلكم لرواد الأعمال بالمملكة العربية السعودية؟
2) برأيك، ما هو أثر الدعم المقدم على رواد الأعمال بالمملكة العربية السعودية؟
3) بعض من رواد الأعمال أبدى أن هناك معوقات وتحديات من ناحية الحصول على الدعم. ما هي وجهة نظرك حيال ذلك الرأي؟
4) ما هو تقييمك للدعم المقدم لرواد الأعمال بالمملكة العربية السعودية في الوقت الحالي من ناحية توفره بكفاية؟
5) برأيك، ما هي المعوقات والتحديات التي تواجهكم كجهات داعمة خلال تقديم الدعم في الوقت الحالي؟
6) هناك أهمية كبرى للدافعية والرغبة في بدء المشروع لدى رواد الأعمال، حيث من غير تلك الدافعية، فإنه غالبا لن يبدأ المشروع الريادي. بناء على ذلك، ما هي توقعاتك عن المتقدمين للحصول على الدعم لدى مؤسستكم، من ناحية دافعيتهم أو رغبتهم في أن يبدؤا مشاريعهم الريادية؟ هل تتوقع أن رغبتهم في بدء المشروع – في ظل وجود فكرة واضحة للمشروع – في ازدياد، أو تراجعت رغبتهم في بدء المشروع، أو أنها لم تتغير منذ أن تقدموا بطلب الدعم؟
7) هناك أيضا أهمية كبيرة لريادي الأعمال لأن يكونوا على وعي ودراية وعلم بمصدر وجهة الدعم المناسبة لهم، إضافة إلى ذلك، أن يكونوا على علم ومعرفة بالإجراءات النظامية للحصول على الرخص والتصريحات المطلوبة من الجهات والمؤسسات الرسمية بالمملكة العربية السعودية. بناء على ذلك، ما هي توقعاتك عن مستوى الوعي لدى المتقدمين للحصول على الدعم لدى مؤسستكم، من ناحية معرفتهم بالإجراءات النظامية للحصول على الرخص والتصريحات المطلوبة من الجهات والمؤسسات الرسمية قبل أن يبدأو مشاريعهم الريادية؟
8) ما هو دوركم في زيادة نسبة الوعي بوجود برامج الدعم و أيضا زيادة نسبة الوعي بمعرفة ما هو مطلوب من المتقدمين للجهات الرسمية؟

9) ما هو انطباعك عن نسبة المتقدمين من ناحية الذكور والإناث، و أعمارهم، ومستواهم التعليمي، وإن كان لديهم معرفة بريادة الأعمال مسبقة، مثلا خبرة أو دورات تدريبية، وهل لذلك تأثير على الطلب المقدم للدعم أو على اتخاذ القرار فيه لدى مؤسستكم في حال تقديم الدعم المطلوب؟

10) ما هو انطباعك عن الدعم ومدى توزيعه على مختلف مناطق المملكة العربية السعودية؟

11) ما هي أنواع الدعم المتوفرة لرواد الأعمال فيما يخص التعليم والتدريب على مهارات بدء المشاريع وريادة الأعمال؟ ما هو انطباعك عنها؟

12) البيانات والنتائج التي تم الحصول عليها من تحليل الإستبيان المقدم لشريحة رواد الأعمال المستهدفة بهذه الدراسة بالمملكة العربية السعودية تفيد أن هناك عدة نقاط تثير الإهتمام و أرغب بمعرفة وجهة نظرك أو انطباعاتك عنها. أولا، أفادت الشريحة المستهدفة بالدراسة بأنهم ليسوا على ثقة عالية بتوفر الدعم الكافي لدى مؤسسات دعم ريادة الأعمال، إضافة إلى أن لديهم انطباع أن الأنظمة والقوانين لا تزال لا تشجع ريادة الأعمال، وأيضا أبدوا رغبتهم في وجود حماية نظامية وقانونية أكبر للمشاريع الناشئة، من ناحية حقوق الملكية الفكرية. ما هو انطباعك عن تلك النقاط؟

13) برأيك، ما هي العوامل المؤثرة على منحكم الموافقة على المشاريع المتقدمة للحصول على الدعم المقدم لرواد الأعمال بالمملكة العربية السعودية، خصوصا الدعم المادي؟

14) برأيك، ما مدى تأثير فكرة المشروع على الطلب المقدم للحصول على الدعم، من ناحية القبول أو الرفض؟ ما هي النقاط التي يتم النظر إليها أثناء تقييم طلبات الدعم، من ناحية كفاءة فكرة المشروع؟ هل لديكم تفضيل لأفكار مشاريع معينة، لدى نشاط معين، مثلا؟

15) هل تود إضافة شيء آخر؟

شكرا لتعاونكم البنّاء ووقتكم المثمر.

أسئلة المقابلات الشخصية مع رواد الأعمال المستفيدين من دعم المؤسسات الرسمية الداعمة لريادة الأعمال بالمملكة العربية السعودية

1) ما هو أهم سبب والذي قررت بناء عليه أن تبدأ مشروعك الريادي في المملكة العربية السعودية؟

2) هل بإمكانك أن تقوم بالحديث عن فكرة مشروعك التجاري الناشئ؟ وهل كانت الفكرة واضحة بالنسبة لك عندما كنت تنوي البدء بالمشروع؟

3) ما هو إنطباعك عن الدعم المقدم لرواد الأعمال من المؤسسات الرسمية الداعمة لريادة الأعمال بالمملكة العربية السعودية؟

4) ما هو تقييمك للدعم المقدم لرواد الأعمال بالمملكة العربية السعودية في الوقت الحالي من ناحية توفره بكفاية؟

5) ما هي أنواع الدعم التي استفدت منها والمقدمة لرواد الأعمال من قبل المؤسسات الرسمية الداعمة لريادة الأعمال بالمملكة العربية السعودية؟

6) برأيك، ما هي المعوقات والتحديات التي واجهتك خلال حصولك على الدعم؟

7) إن لم تكن قد تقدمت بطلب للحصول على الدعم، هل بالإمكان معرفة الأسباب وراء ذلك؟

8) هل سبق وأن تم رفض أحد طلبات الدعم المقدمة منك؟ إن حصل ذلك، هل بالإمكان معرفة الأسباب؟

9) ماهي حدود معرفتك فيما يتعلق بتسجيل مشروعك الجديد والحصول على التراخيص والسجلات الرسمية المطلوبة؟

10) ماهي حدود معرفتك فيما يتعلق إدارة المخاطر والمعوقات التي قد تواجهها أثناء إدارة مشروعك الجديد؟

11) ماهي حدود معرفتك فيما يتعلق الحصول على المعلومات والبيانات المتعلقة بالسوق الذي يعمل به مشروعك الجديد والحصول على المنتجات المطلوبة لمشروعك؟

12) برأيك، وفيما يخص التعليم والتدريب على مهارات بدء المشاريع وريادة الأعمال؟ ما هو إنطباعك عن توفر هذه الخدمات من قبل الجامعات والكليات وقطاع التعليم لتقديم تعليم يهتم بريادة الأعمال وخدمات مثل التوجيه والإستشارات للمشاريع الناشئة؟

13) ما هو إنطباعك عن المجتمع السعودي من جانب أنه مجتمعا يرحب بإنشاء المشاريع الريادية الجديدة، وأنه يعتبر الإبداع والتفكير الخلاق أساس طريق إلى النجاح و أنه ينظر إلى رواد الأعمال بأنهم قدوات يحتذى بهم؟

14) ما هو تقييمك لمستوى الأداء لمشروعك الناشئ حتى الوقت الحالي والمدعوم من الجهات الرسمية في السعودية؟ كيف تقارن ذلك بما كان لديك من توقعات؟

15) هل تود إضافة شيء آخر؟

شكرا لتعاونكم البنّاء ووقتكم المثمر.

Appendix 5 - The profile of respondents of qualitative phase – Institution officials

Participants	Gender	Role/Position	Institution
S1-FH	**M**	**Branch Manager**	**Riyadah**
S2-NA	**M**	**Director**	**Dulani Business Centre**
S3-AO	**M**	**Director**	**Nama'a Almunawara Accelarator**
S4-NM	**F**	**Support Advisor and Researcher**	**Public University**
S5-GS	**M**	**Western Province Manager**	**BADIR Incubation Centre**
S6-KH	**M**	**Chairperson**	**Chamber of Commerce**
S7-SQ	**M**	**Division Manager**	**Monsha'at**
S8-HM	**M**	**Director**	**SCTH**
S9-AH	**M**	**Manager**	**Social Development Bank**
S10-WD	**M**	**General Manager**	**Riyadah**
S11-RR	**M**	**General Manager**	**Monsha'at**
S12-SBN	**M**	**Support Advisor and Researcher**	**Public University**
S13-MAZ	**M**	**Director**	**Nama'a AlMunawara Centre**

Source: Author

Appendix 6 - List of codes and themes for qualitative phase findings

Themes	Codes
5.2 **Reasons to start a business by applicants**	**1) Taking advantage of available support** **2) Opportunity/Chance** **3) Out of necessity**
5.3 **Support activities** (i.e. what providers do, and how)	**1) Finance** **2) Training** **3) Consulting** **4) Networking** **5) Mentoring** **6) Follow-up** **7) Facility provision** **8) Facilitation** **9) Promoting entrepreneurship** **10) Accessibility** **11) Criteria**
5.4 **Rationale for support**	**1) Skills on HRM/HRD** **2) Job creation** **3) Competition** **4) Regional development** **5) Benefit to society** **6) GDP**
5.5 **Impact of support activities**	**1) Number of start-ups** **2) Awareness** **3) Regional coverage** **4) Reducing risk** **5) Empowerment of women** **6) Credibility of providers**

5.6 **Challenges**	**[5.6.1.] Sub-theme:** **Challenges for entrepreneurs:** **1) Lack of access to finance** **2) Bureaucracy** **3) Strictness** **4) Lack of access to training and education** **5) Insufficient support** **6) Disagreement** **7) Marketing / promotion** **8) Finding employees** **[5.6.2.] Sub-theme:** **Challenges for providers:** **1) Lack of data** **2) Lack of awareness of support to entrepreneurship** **3) Unprepared applicants** **4) Impatience** **5) Non-participation** **[5.6.3.] Sub-theme:** **Challenges for entrepreneurs and providers:** **1) Institutions working in isolation from others**
5.7 **Applicants' responsibility** (i.e. the idea that there are certain things that applicants are expected to do for a successful application)	**1) Business idea** **2) Research** **3) Choice of institution** **4) Eligibility**
5.8 **Suggestions/** **Recommendations**	**1) More support** **2) Access to technology** **3) International cooperation** **4) Promoting awareness** **5) Publication of data** **6) Networking events** **7) Policies** **8) Business ideas**

Appendix 7 – Letter from supervisor supporting researcher

Manchester Metropolitan University

Faculty of Business and Law
Graduate School for Business and Law

Business School
All Saints Campus
Oxford Road
Manchester
M15 6BH
United Kingdom

GSBL@mmu.ac.uk
www.mmu.ac.uk/business-school

2 February 2017

To
Saudi Arabian Cultural Bureau in London

Re: Thamer Saud Alkhaldi (12103659)

This is to confirm that the above named Saudi PhD student is conducting a study titled "The impact of formal institutional support in the entrepreneurship start-up process in Saudi Arabia" at Manchester Metropolitan University Business School.

As a requirement of his academic studies, Mr Alkhaldi needs to visit Saudi Arabia in order to collect his data and consider that as an educational tour for three months from 1st April 2017 – 1st July 2017.

We thank you in advance for your support for Mr Alkhaldi's intellectual development.

If you have any questions or queries, please do not hesitate to contact me.

Yours Sincerely,

Dr Emmanuel Cleeve
Director of Studies
Faculty of Business and Law
Manchester Metropolitan University

Appendix 8 - Letter from the General Authority for Small and Medium Enterprises (Monsha'at) in Saudi Arabia supporting the researcher

الهيئة العامة للمنشآت الصغيرة والمتوسطة
Small and Medium Enterprises Authority

رؤية VISION 2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

مكتب المحافظ

سعادة الملحق الثقافي بسفارة المملكة العربية السعودية في المملكة المتحدة (بريطانيا)

السلام عليكم ورحمة الله وبركاته

إشارة لخطاب الباحث ثامر بن سعود الخالدي، المحاضر بقسم إدارة الأعمال بكلية العلوم والدراسات الإنسانية بالغاط، جامعة المجمعة، والمبتعث لدراسة برنامج الدكتوراة في كلية إدارة الأعمال بجامعة مانشستر ميتروبوليتان بالمملكة المتحدة، نفيدكم بأنه لا مانع لدينا من إشراف الهيئة العامة للمنشآت الصغيرة والمتوسطة على الرحلة العلمية لجمع البيانات من خلال مقابلة وتوزيع الإستبانات على المنشآت الصغيرة والمتوسطة و رواد الأعمال دون أدنى مسؤولية على الهيئة، وذلك اعتبارا من ١٤٣٨/٧/٤هـ الموافق من ٢٠١٧/٤/١م ولمدة ثلاثة أشهر.

وتقبلوا أطيب تحياتي وتقديري،

محافظ الهيئة

د. غسان بن أحمد السليمان

ت: ٢٩٤٤٤٤٤ ١١ ٩٦٦+ | العنوان: الرياض ١١٦٦٢ | المملكة العربية السعودية
Tel: +966 11 294444 | Address: Riyadh 1162 | KSA | info@smea.gov.sa

Appendix 9 - A developmental paper presented on the British Academy of Management (BAM) 2018 - 32nd Annual Conference at Bristol Business School, University of the West of England during the period of 4th - 6th September 2018.

The Impact of Formal Institutional Support on the Business Performance of Early Stage Entrepreneurial Enterprises in Saudi Arabia

Author: Thamer Alkhaldi[1], Manchester Metropolitan University (MMU), UK

Co-authors (Supervisors): Emmanuel Cleeve[2] and Jackie Brander-Brown[3]

1 Mr Alkhaldi is a PhD candidate at MMU Business School – Email address: thamer.s.alkhaldi@stu.mmu.ac.uk

2 Dr Cleeve is a Reader at MMU Business School, Department of Economics, Policy and International Business – Email address: e.cleeve@mmu.ac.uk

3 Dr Brander-Brown is a Senior Lecturer at MMU Business School, Department of Accounting, Finance and Banking - Email address: j.brander-brown@mmu.ac.uk

Summary

The aim of this study is to explore the impact of formal institutional support on the business performance of early stage entrepreneurial enterprises in Saudi Arabia. This is explored from a number of perspectives; however, this paper focuses on a single question: What is the relationship between the regulatory, cognitive and normative dimensions of the institutional profile of Saudi Arabia and the early-stage entrepreneurs' business performance?

This study takes a two-stage mixed methods approach to data collection. Quantitative data were obtained from early stage entrepreneurs (n=117), via an online survey based on an instrument developed by Busenitz et al. (2000). Qualitative data will be collected in a subsequent stage involving interviews with support institution officials and early stage entrepreneurs, in order to gain deeper understanding of support agencies' impact on entrepreneurs and to explore how participants view the process of application for support.

The results show that participants perceived social attitudes to entrepreneurship to be favourable, and were generally confident in the availability of knowledge on setting up a business. However, considerable uncertainty was expressed about aspects of legal and financial support for entrepreneurship, and the availability of entrepreneurship education. These results will inform the forthcoming qualitative stage.

Key words: Early Stage Entrepreneurs, Business Performance, Formal Institutional Support, Saudi Arabia

Entrepreneurship Track

Developmental Paper

Word Count = 2228

Introduction

Successive governments of major countries in the world have deliberately formulated policies on entrepreneurship to promote employment and general economic development of their countries. This increasing interest in entrepreneurship has led to formulation of many institutional frameworks for entrepreneurship by various countries (Smallbone et al., 2010). The importance of entrepreneurship has been growing from before Schumpeter (1934) until today; hence it is considered a major aspect of the economic growth of many countries around the globe. Its importance comes from helping economic diversification by implementing support for innovation, creating new jobs and positively affecting the welfare of communities (Schumpeter 1934; Acs and Audretsch 1988; Wennekers and Thurik 1999; Baumol 2002; Acs et al. 2008).

The Kingdom of Saudi Arabia is one of these many countries that have shown significant interest in promoting entrepreneurship, especially amongst its youths. The country has also created some institutions to support entrepreneurship and small business growth. Recently, entrepreneurship has received more attention from the government of Saudi Arabia in order to boost economic diversification and create employment for youths. Like many other economies around the globe, Saudi Arabia realizes the importance of seeking to diversify its income and is supporting small firms' start-ups as a strategy to achieve this aim.

While there is a considerable body of studies on institutional theories generally, the impact of institutional support on entrepreneurship and small business has rarely been investigated, especially within the context of developing economies in the Middle East (Ahmad, 2012). More specifically, there are limited studies in this direction in the Kingdom of Saudi Arabia, one of the richest countries in the Middle East and the world (World Bank Report, 2016). It is therefore difficult to evaluate to what extent the institutions created by the Saudi Arabian government have achieved their objectives of promoting entrepreneurship among Saudi youths and supporting SMEs generally.

This paper presents a research study being undertaken in the area of entrepreneurship, and specifically the impact of formal institutional support in Saudi Arabia.

Research aim and question

The aim of the research is to explore the motivations for entrepreneurship in Saudi Arabia, the nature of the regulatory, cognitive and normative dimensions of the institutional profile of Saudi Arabia, how these affect support for early-stage entrepreneurs and the impact of these on business performance. This is explored from a number of perspectives; however, this paper focuses on a single question: What is the relationship between the regulatory, cognitive and normative dimensions of the institutional profile of Saudi Arabia and the early-stage entrepreneurs' business performance?

Entrepreneurship

Entrepreneurship has applications across multidisciplinary boundaries such as economics, history, sociology, anthropology, finance, marketing and management (Kaufmann and Dant, 1999; Acs and Szerb, 2007; Ahmad and Seymour, 2008;

Gutterman, 2012). Therefore, selecting a suitable definition of entrepreneurship has been challenging to the academic community (Cunningham and Lischeron, 1991), and there is a lack of a "well-accepted definition of the boundaries and the field" (Venkataraman, 1997: 120). Hence, scholars have defined the phenomenon in different ways. For example, in their study, Defining entrepreneurship, Cunningham and Lischeron (1991: 46) state that, "the term has been used to define a wide range of activities such as creation, founding, adapting, and managing ventures." About five decades before this, Schumpeter (1934) explained the role of the entrepreneur as an innovator who makes positive changes in the economy by bringing new products or services to the market. This makes him among the pioneers in incorporating the notion of innovation into the process of entrepreneurship (Gutterman, 2012).

However, Nijkamp (2003: 396) commented that although "the entrepreneur is defined as a person who creates new businesses, brings a new product to the market, or develops new processes of production", this simple definition does not fully describe the extensive literature on the role of entrepreneur. In a similar vein, Johnson (2001: 138) suggests that entrepreneurship "in its narrowest sense, involves capturing ideas, converting them into products and/or services and then building a venture to take the product to market". Furthermore, Ahmad and Seymour (2008: 5) state that "the concept of entrepreneurship generally refers to enterprising individuals who display the readiness to take risks with new or innovative ideas to generate new products or services". Early studies focused on the traits supposedly possessed by entrepreneurs (Venkataraman, 1997); however, later authors have recognized that entrepreneurship also depends on the nature and structure of opportunities in the environment (Shane and Venkataraman, 2000; Rauch and Frese, 2000) giving rise to an interest in the role of the national institutional framework and culture in influencing entrepreneurship.

As this section has shown, entrepreneurship is a complex phenomenon, which has been defined and interpreted in a variety of ways.

Institutions & entrepreneurship

Institutions are defined as the "rules of the game in a society", and consist of "humanly devised constraints that shape human interaction" (North, 1990: 3). These rules include formal (e.g. constitutional, legal, and organizational frameworks for individual actions), and informal institutions (e.g. codes of conduct, values, and norms) (Welter and Smallbone, 2011; Hopp and Stephan, 2012). However the focus of this paper is on the formal institutions. Welter and Smallbone (2011) claim that "In all countries, the development of entrepreneurship and the behaviour of entrepreneurs are influenced by the appropriateness and operation of formal institutions" (p. 109).

Hopp and Stephan (2012) propose that the support of government impacts the probability of the success of entrepreneurs' businesses. An institutional environment that is supportive and allows access to resources positively affects entrepreneurial motivation and self-efficacy and allows for successful outcomes of business venture creation. Acs et al. (2008: 219) stated in their notable study of 'entrepreneurship, economic development and institutions' that the environment has an effect on the economic activities in countries around the globe. They defined the environment by looking at the nexus of economic development and institutions, which affects the

"quality of governance, access to capital and other resources, and the perceptions of entrepreneurs."

Authors on institutions have commonly followed Scott (1995) in classifying them into three dimensions: regulatory, cognitive and normative, which together make up the country institutional profile (Kostova, 1997; Busenitz et al., 2000; Manolova et al., 2008). The **regulatory** domain stems primarily from government policies, laws and regulations. They include, for example, tax systems (Estrin and Mickiewicz, 2010), property right (Boettke and Coyne, 2003), labour law (Kanniainen and Vesala, 2005) and capital market development (Hoskisson et al., 2005). Such factors shape the opportunity fields available to entrepreneurs (Welter and Smallbone, 2011), determine the transaction costs of entrepreneurship (Johnson et al., 2002), and influence entrepreneurs' strategy decisions, for example by encouraging risk taking, proactiveness and innovation (Doblinger et al., 2016).

The **cognitive** dimension refers to shared knowledge that forms part of social understanding (Berger and Luckmann, 2007). Whilst some authors define it broadly as a set of subjectively constructed rules and meanings that shape frames of reference and, hence, behaviour (Kostova, 1997; Bruton et al., 2010). Busenitz et al., (2000) define it more narrowly as the information available within a society about how to establish and operate a business.

The **normative** dimension refers to socially shared norms, beliefs and values (Veciana and Urbano, 2008) that define appropriate goals and means of pursuing them. They exert a pressure towards compliance which influences access to resources (Anderson and Smith, 2007) and confers legitimacy (Zimmerman and Zeitz, 2002). Alternatively, entrepreneurs who do not conform to social expectations may face opposition or exclusion. Busenitz et al. (2000) operationalize the normative dimension as the extent to which prevailing social attitudes are supportive of entrepreneurship.

Methodology

This study takes a two-stage mixed methods approach to data collection. So far, Stage One has been completed. Quantitative data was acquired from early stage entrepreneurs who have used support programmes in Saudi Arabia, via an online survey based on the instrument developed and validated by Busenitz et al. (2000) with a response rate of 27% ($n = 117$).

The survey captured perceptions of the regulatory, cognitive and normative dimensions of the institutional profile of Saudi Arabia, with items rated on a 5-point Likert scale, where 1 represents strongly disagree, 2 represents disagree, 3 represents neutral, 4 represents agree and 5 represents strongly agree. Items on the **regulatory** dimension captured perceptions of government sponsorship for individuals starting their own business, availability of sufficient financial support, whether state laws (rules and regulations) are favourable to starting and running a new business, availability of legal protection to new businesses, and protection of property rights.

In the **cognitive** dimension, items aimed to understand the entrepreneurs' perceptions of people's awareness of entrepreneurship in Saudi Arabia, including knowledge of know how to legally register and protect a new business, understanding of risk, knowledge of where to find information about markets, and

the role of higher education in provision of entrepreneurship education and advisory support for new businesses.

In the **normative** dimension, items asked how participants viewed prevailing perceptions towards entrepreneurs within Saudi society, including social support for venture creation, the value attached to turning new ideas into businesses as a career path, attitude towards innovative and creative thinking, and whether "Entrepreneurs in Saudi Arabia are seen as successful role models".

Moreover, business performance was measured by four items, eliciting the entrepreneurs' opinions on the relative performance of their business, from commencement to date. They were asked, "For each of the following business outcomes, do you think your result so far has been better, worse or equal to what you expected when you started this business?" The outcomes investigated were: 1. Net profit (Sales minus operational cost), 2. Development of sales (change or growth in the volume of sales), 3. Cash flow (inflows minus outflow of money), and 4. Growth of the company's value (Net Assets).

Descriptive statistics and normality tests were applied for initial analysis then the relationship between institutional support and business performance was analysed using a parametric statistical test (Pearson product-moment correlation test). In addition, correlation coefficients were calculated to test the strength of relationship.

Results

Analysis of mean scores indicated high levels of agreement for all items of the normative dimension, and some aspects of the regulatory dimension, such as "Saudi Arabian government sponsors individuals starting their own business"(M=3.5). Conversely, the low means suggested low levels of agreement on support provision to entrepreneurs by higher education institutions (M=2.3). Another low-scoring item was the regulatory domain item, "There are sufficient subsidies available from entrepreneurship sponsors for new firms"(M=2.5).

Results under the mean scores reflect the high levels of uncertainty with regards to many items of the regulatory dimension, as indicated by the large numbers giving neutral responses, for example, items ranged from 20 (17%) to 39 (33%), suggesting there may be uncertainty or lack of knowledge about the kinds and levels of support and protection available to early stage entrepreneurs.

The relationship between the regulatory, cognitive and normative dimensions of the institutional profile of Saudi Arabia and the early-stage entrepreneurs' business performance show that both types of institutional support are related positively to the business performance of start-ups. However, the influence of for regulatory dimension is somewhat more influential than the cognitive and normative dimensions.

The quantitative data phase outcomes will be used to inform the next phase, in which issues such as whether educational support is sufficient, or the rules and regulations are in need of an update, will be explored in more depth through interviews with support institutions' officials.

Conclusion

This research contributes to fill a number of gaps in extant literature, particularly with regard to entrepreneurship in a non-Western, developing country context. The insights derived from the under-researched context of Saudi Arabia will help to enrich the entrepreneurship literature and add to understanding of how context-specific institutional factors may influence entrepreneurial success.

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Appendix 10 - A paper presented on the 13th European Conference on Innovation and Entrepreneurship, at University of Aveiro, Aveiro, Portugal, during the period of 20-21 September 2018.

Formal Institutional Support For Early-Stage Entrepreneurs: Evidence from Saudi Arabia

Author: Thamer Alkhaldi[1], Manchester Metropolitan University (MMU), UK, Majmaah University, Saudi Arabia
Co-authors (Supervisors): Emmanuel Cleeve[2] and Jackie Brander-Brown[3]

1 Mr Alkhaldi is a PhD candidate at MMU Business School and a lecturer at Majmaah University, Saudi Arabia – Email address: thamer.s.alkhaldi@stu.mmu.ac.uk

2 Dr Cleeve is a Reader at MMU Business School, Department of Economics, Policy and International Business – Email address: e.cleeve@mmu.ac.uk

3 Dr Brander-Brown is a Senior Lecturer at MMU Business School, Department of Accounting, Finance and Banking - Email address: j.brander-brown@mmu.ac.uk

Summary

The aim of this study is to explore the role of government and private institutions in supporting early stage entrepreneurs in Saudi Arabia. Entrepreneurship has attracted a fair amount of academic attention; however, to date, only little empirical work has explored the relationships between regulatory, cognitive and normative dimensions of the institutional profile, support for entrepreneurship and business performance, and specifically, in the context of early stage entrepreneurs in Saudi Arabia.

This study takes a two-stage mixed methods approach to data collection. Quantitative data acquired by an online survey of early stage entrepreneurs (117) will inform a subsequent qualitative stage involving interviewing support institution officials and early stage entrepreneurs in order to gain deeper understanding of support agencies' role towards entrepreneurs and to explore how participants view the process of application for support.

The online survey results reveal that finance and consultation are the most used forms of support, while entrepreneurial education is the least used. Respondents were predominantly opportunity entrepreneurs; fewer than 10 per cent established businesses out of necessity. Participants perceived cognitive and normative aspects of support favourably, but expressed considerable uncertainty about aspects of legal and financial support. All types of support, but especially regulatory, have positive influence on business performance of start-ups. Implications from the findings are drawn for the forthcoming qualitative investigation.

Key words**:** Early Stage Entrepreneurs, Entrepreneurship, Formal Institutional Support, Saudi Arabia

Introduction

In many countries in the world, governments have consciously supported entrepreneurship to promote employment and achieve economic diversification, development and welfare (Schumpeter 1934; Acs and Audretsch 1988; Wennekers and Thurik 1999; Baumol 2002; Acs et al. 2008). Accordingly, many institutional frameworks for entrepreneurship have been developed by various countries (Smallbone et al., 2010).

The Kingdom of Saudi Arabia is among those countries that have sought to encourage entrepreneurship, in order to boost economic diversification and create employment for her youths.

The country has therefore created a number of institutions to provide various forms of support for start-up of entrepreneurship and small business.

While there has been substantial research on the roles of institutions, their impact on entrepreneurship and small business has rarely been investigated, especially within the context of developing economies in the Middle East (Ahmad, 2012). More specifically, there is limited research in this direction in the Kingdom of Saudi Arabia, a traditional but rapidly-developing society and one of the richest countries in the Middle East and the world (World Bank Report, 2016). It is therefore of interest to evaluate to what extent the institutional policies and practices introduced by the Saudi Arabian government are succeeding in their aim of promoting entrepreneurship among Saudis and supporting small business start-ups and early-stage performance.

This paper presents an ongoing investigation of Saudi of entrepreneurship, with a focus on formal institutional support. It presents initial results from the first (quantitative) phase of the study and draws implications for the forthcoming qualitative phase.

Research questions

This section states the research questions. When thinking about research questions, the researcher certainly has begun to think about the purpose of the research (Saunders et al., 2012:138). The purpose of this research is to gain an understanding of the kinds of entrepreneurship support offered to and taken up by early stage entrepreneurs and their impact on the business with a view ultimately to forming recommendations for enhancing this sector.

Accordingly, the main research question is:

What is the role of formal (government and private) institutional support (finance, training and education, consultation, coaching, mentoring, and networking) for early stage entrepreneurs in Saudi Arabia?

The main question is approached via three sub-questions, as follows:

1. What types of institutional support are used by early stage entrepreneurs in Saudi Arabia?
2. What are the most important reasons for starting a business in the context of Saudi Arabia?
3. To what extent do the **regulatory**, **cognitive** and **normative** support dimensions affect early stage entrepreneurship (business) performance?

Entrepreneurship

Entrepreneurship has applications in many fields such as economics, history, sociology, anthropology, finance, marketing and management (Kaufmann and Dant, 1999; Acs and Szerb, 2007; Ahmad and Seymour, 2008; Gutterman, 2012). This has posed difficulty in selecting a suitable definition of entrepreneurship (Cunningham and Lischeron, 1991), and research reflects “the absence of a consistent definition” (Gutterman, 2012:1). Hence, scholars have defined entrepreneurship in different ways.

Schumpeter (1934) viewed the entrepreneur as an innovator who makes positive changes in the economy by bringing new products or services to the market. This makes him one of the first to associate entrepreneurship with innovation (Gutterman, 2012). Cunningham and Lischeron (1991: 46) state that entrepreneurship encompasses “a wide range of activities such as creation, founding, adapting, and managing ventures.” Then they continue to say, “No single discipline provides the tools for managing an entrepreneurial venture”, and they suggest that it is “not surprising that a consensus has not been reached about what entrepreneurship is” (Cunningham and Lischeron, 1991: 46). Johnson (2001) and Nijkamp (2003: 396) viewed entrepreneurship in similar terms, although this simple view does not fully capture the variety and complexity of entrepreneurship. One approach to entrepreneurship is to focus on the traits supposedly possessed by entrepreneurs (Venkataraman, 1997). For example, Ahmad and Seymour (2008: 5) state that “the concept of

entrepreneurship generally refers to enterprising individuals who display the readiness to take risks with new or innovative ideas to generate new products or services". Other approaches view entrepreneurship as a set of behaviours (Vanderwerf and Brush, 1989; Carree and Thurik, 2003) or functions (Carlsson et al., 2013). Recent definitions feature three main themes: wealth creation (Drucker, 2015) innovation (Gutterman, 2012) and exploitation of opportunity (Shane and Venkataraman, 2000). However, it is also recognized that some entrepreneurs are motivated solely by necessity, especially in developing countries (Thurik et al., 2008; Benzing et al., 2009). A recent trend, moreover, is recognition that entrepreneurship depends on the nature of the national institutional framework and culture (Shane and Venkataraman, 2000; Rauch and Frese, 2000).

Institutions and entrepreneurship

Institutions are defined as the "rules of the game in a society", comprising "the humanly devised constraints that shape human interaction" (North, 1990: 3). They may be formal (e.g. constitutional, legal, and organizational frameworks) or informal (e.g. codes of conduct, values, and norms) (Welter and Smallbone, 2011; Hopp and Stephan, 2012). However, this paper is more concerned with the formal institutions, since, as Welter and Smallbone (2011) note, "In all countries, the development of entrepreneurship and the behaviour of entrepreneurs are influenced by the appropriateness and operation of formal institutions" (p. 109). As Hopp and Stephan (2012) point out, government support impacts the likelihood of entrepreneurial success; A supportive institutional environment and availability of resources positively affect entrepreneurs' motivation and self-efficacy and promote positive business outcomes. Acs et al. (2008: 219) noted that the environment, defined as the nexus of economic development and institutions, affects the "quality of governance, access to capital and other resources, and the perceptions of entrepreneurs." Hence, differences in the institutional environment explain why entrepreneurial activities' contributions vary so greatly worldwide. Following Scott (1995), institutions are commonly classified into three dimensions, **regulatory**, **cognitive** and **normative**, which constitute the national institutional profile (Kostova, 1997; Busenitz et al., 2000). The **regulatory** dimensions comprises government-instituted laws and systems, such as taxation (Estrin and Mickiewicz, 2010), property rights (Boettke and Coyne, 2003) and capital market development (Hoskisson et al., 2005) that shape opportunities (Welter and Smallbone, 2011). The **cognitive** dimension refers to shared knowledge, such as information about how to establish a business (Busenitz et al., 2000). The **normative** dimension refers to societal beliefs and values (Veciana and Urbano, 2008) that determine the legitimacy and desirability of courses of action.

Methodology

This paper concerns the first stage of a two-stage mixed methods study. Quantitative data was acquired from an online survey based on Busenitz et al. (2000), sent to 447 early stage entrepreneurs who have used support programmes in Saudi Arabia, with a valid response rate of 27 per cent (*n = 117*). 25 per cent of respondents were female. The survey elicited information on types of support accessed by participants, and their motivations for starting a business. It also captured perceptions (measured on 5-point Likert scales from 1: strongly disagree to 5: strongly agree) on features of the three dimensions of the Saudi institutional profile. Participants were also asked to rate the performance of their business (net profit, sales volume, cash flow and company value) since commencement, relative to expectation. Questions 1 and 2 were answered via descriptive statistics, Question 3 by Pearson product- moment correlation test and correlation coefficients.

Results

RQ1 – Types of support

Participants were asked to identify all types of support that they used. Table 1 shows the outcomes; as percentages of all responses.

Table 1: Types of support used by entrepreneurs

Support type	**%**
Finance	45.3
Training	20.5
Education	10.3
Consultation	47.9
Coaching	27.4
Mentoring	22.2
Networking	35.9

The data reveal that finance and consultation were the most use types of support, each being used by almost half the respondents. Networking was also relativity widespread, reported by over a third of respondents. The least used form of support was entrepreneurial education, raising questions as to the availability of such support, or why, if it is available, it is not taken up by entrepreneurs.

RQ 2 - Reasons for starting a business

Participants were asked to identify their main reason for setting up their current business. The responses are reported in Table 2.

Table 2: Most important reason to start-up

Most important reason to start-up	Percent
-To take advantage of support provided to entrepreneurs	13.7
-To take advantage of an opportunity	26.5
-No better choice (i.e. Out of necessity. E.g. Unemployment)	9.4
-Combination of the first two options above	20.5
-Employed, but seek additional sources of income	24.8
Others (please state)	5.1
Total	100.0

The responses show that very few respondents were necessity entrepreneurs, setting up a business because they had no alternative or better means of livelihood. The largest concentrations were those who founded a business to take advantage of an opportunity, or to supplement their income, each declared by about a quarter of respondents. Only 13.5 per cent set up a business specifically to take advantage of government support, although this was a contributing factor for a further 20 per cent, who reported a combined motivation. This means that overall, government support was a factor in the business foundation for a third of the entrepreneurs surveyed.

RQ 3 – Relationship between regulatory, cognitive and normative dimensions and early stage business performance

Table 3 shows perceptions of the three dimensions of support. Participants perceived the normative dimension of support favourably, but mean scores below 3.0 for items (4 to 7) and (11 and 12) indicate considerable disagreement with these items; there were high levels of uncertain responses for several of these items.

Table 3: Provision (country profile) of institutional support - Regulatory, cognitive and normative dimensions

Item number	Item	Mean
	The regulatory dimension	
1	Saudi Arabian government sponsors individuals starting their own business	**3.50**
2	In Saudi Arabia, there is sufficient financial support available for new start-ups	**3.32**
3	New and innovative businesses can get easy loans from financial institutions	**3.04**
4	There are sufficient subsidies available from entrepreneurship sponsors for new firms	**2.56**
5	State laws (rules and regulations) are favourable to starting and running a new business	**2.72**
6	The government provides legal protection to most newly-created businesses	**2.72**
7	All property rights are clear and protected by law	**2.82**
	The cognitive dimension	
9	Individuals know how to legally register and protect a new business	**3.43**
10	Those who intend to start a new business know how to manage risk	**3.36**
11	Most people know where to find information about markets for their products	**3.45**
12	University and college education provides adequate entrepreneurship education	**2.34**
13	Universities and other learning institutions provide advisory and development support for a new business	**2.54**
	The normative dimension	
15	Saudi society at large welcomes new venture creation	**3.72**
16	Innovative and creative thinking is viewed as the route to success	**4.21**
17	Entrepreneurs in Saudi Arabia are seen as successful role models	**3.92**

Table 4: Business performance

Item number	Business performance						
	Item	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Mean**
1	With regard to net profit (Sales minus operational cost) situation is	8	15	47	35	12	**3.24**
2	In regard to development of sales (change or growth in the volume of sales) situation is	2	21	50	36	8	**3.23**
3	In regard to Cash flow (inflows minus outflow of money) situation is	2	27	50	32	6	**3.11**
4	In regard to growth of the company's value (Net Asset) situation is	8	18	40	41	10	**3.23**

Table 4 shows the mean scores for participants' ratings of their business performance, as worse than, the same as, or better than expected.

The correlations between the regulatory, cognitive and normative dimensions of the institutional profile of Saudi Arabia and the early-stage entrepreneurs' business performance show that both formal and informal institutional support are related positively to the business performance of start-ups. However, the regulatory (formal) dimension is somewhat more influential than the cognitive and normative (informal) dimensions (accounting for 11 per cent and 8 per cent respectively, of the variance in business performance ratings, see table 5).

Table 5: Correlations

Correlations test		Bus_Performance
Regulatory_Dim	Pearson Correlation	.329**
	Sig. (2-tailed)	.000
	N	117
Informal_Dim	Pearson Correlation	.280**
	Sig. (2-tailed)	.002
	N	117

**. Correlation is significant at the 0.01 level (2-tailed).

Discussion and Conclusion

Initial data has been reported from a survey conducted as part of an ongoing investigation of formal institutional support for entrepreneurship in Saudi Arabia. The percentage of female participation is promising in the context of Saudi Arabia, and may reflect the role of technology in facilitating the process of starting up and conducting business easier by affording women means of engaging in business despite the cultural constraints preventing direct interaction with men other than relatives.

The results indicate that participants tended to be opportunity rather than necessity driven. Availability of institutional support was a factor in around a third of start-ups. However, the low proportion of respondents using educational support, the high levels of uncertainty regarding many regulatory and education-related items, and the weak relationships between institutional dimensions and business performance raise potential issues for further investigation. Questions arise as to the adequacy of the kinds of support and protection available, and participants' awareness of and confidence in them. Such issues will be explored qualitatively in forthcoming interviews with support organisation officials and early-stage entrepreneurs.

This research contributes to fill a number of gaps in extant literature, particularly with regard to entrepreneurship in a non-Western, developing country context. The insights derived from the under-researched context of Saudi Arabia will help to enrich the entrepreneurship literature and add to understanding of how context-specific institutional factors may influence entrepreneurial success.

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